



- 30           **57-19-13**, as enacted by Laws of Utah 1987, Chapter 73
- 31           **57-19-26**, as enacted by Laws of Utah 1987, Chapter 73
- 32           **61-2c-102**, as last amended by Laws of Utah 2011, Chapter 289
- 33           **61-2c-103**, as last amended by Laws of Utah 2011, Chapter 289
- 34           **61-2c-106**, as last amended by Laws of Utah 2010, Chapter 379
- 35           **61-2c-203**, as last amended by Laws of Utah 2011, Chapter 289
- 36           **61-2c-204.1**, as last amended by Laws of Utah 2010, Chapter 379
- 37           **61-2c-205**, as last amended by Laws of Utah 2011, Chapter 289
- 38           **61-2c-206**, as last amended by Laws of Utah 2010, Chapter 379
- 39           **61-2c-209**, as enacted by Laws of Utah 2010, Chapter 379
- 40           **61-2c-301**, as last amended by Laws of Utah 2011, Chapter 289
- 41           **61-2c-302**, as last amended by Laws of Utah 2011, Chapter 289
- 42           **61-2c-404**, as last amended by Laws of Utah 2010, Chapter 379
- 43           **61-2e-104**, as enacted by Laws of Utah 2009, Chapter 269
- 44           **61-2e-201**, as enacted by Laws of Utah 2009, Chapter 269
- 45           **61-2e-204**, as last amended by Laws of Utah 2011, Chapter 289
- 46           **61-2e-307**, as last amended by Laws of Utah 2011, Chapter 289
- 47           **61-2e-401**, as last amended by Laws of Utah 2011, Chapter 289
- 48           **61-2f-102**, as last amended by Laws of Utah 2011, Chapter 289
- 49           **61-2f-203**, as last amended by Laws of Utah 2011, Chapter 289
- 50           **61-2f-301**, as last amended by Laws of Utah 2011, Chapter 289
- 51           **61-2f-401 (Superseded 07/01/12)**, as last amended by Laws of Utah 2011, Chapter 289
- 52           **61-2f-401 (Effective 07/01/12)**, as last amended by Laws of Utah 2011, Chapters 289
- 53           and 353
- 54           **61-2g-102**, as renumbered and amended by Laws of Utah 2011, Chapter 289
- 55           **61-2g-103 (Superseded 07/01/12)**, as renumbered and amended by Laws of Utah 2011,
- 56           Chapter 289
- 57           **61-2g-103 (Effective 07/01/12)**, as last amended by Laws of Utah 2011, Chapter 353

58 and renumbered and amended by Laws of Utah 2011, Chapter 289

59 **61-2g-201**, as renumbered and amended by Laws of Utah 2011, Chapter 289

60 **61-2g-301**, as renumbered and amended by Laws of Utah 2011, Chapter 289

61 **61-2g-304**, as renumbered and amended by Laws of Utah 2011, Chapter 289

62 **61-2g-306**, as renumbered and amended by Laws of Utah 2011, Chapter 289

63 **61-2g-308**, as renumbered and amended by Laws of Utah 2011, Chapter 289

64 **61-2g-312**, as renumbered and amended by Laws of Utah 2011, Chapter 289

65 **61-2g-315**, as renumbered and amended by Laws of Utah 2011, Chapter 289

66 **61-2g-402**, as renumbered and amended by Laws of Utah 2011, Chapter 289

67 **61-2g-403**, as renumbered and amended by Laws of Utah 2011, Chapter 289

68 **61-2g-502**, as renumbered and amended by Laws of Utah 2011, Chapter 289

69 **61-2g-503**, as renumbered and amended by Laws of Utah 2011, Chapter 289

70 REPEALS:

71 **61-2g-303**, as enacted by Laws of Utah 2011, Chapter 289



73 *Be it enacted by the Legislature of the state of Utah:*

74 Section 1. Section **57-8-3** is amended to read:

75 **57-8-3. Definitions.**

76 As used in this chapter:

77 (1) "Assessment" means any charge imposed by the association, including:

78 (a) common expenses on or against a unit owner pursuant to the provisions of the

79 declaration, bylaws, or this chapter; and

80 (b) an amount that an association of unit owners assesses to a unit owner under

81 Subsection 57-8-43(9)(h).

82 (2) "Association of unit owners" means all of the unit owners:

83 (a) acting as a group in accordance with the declaration and bylaws; or

84 (b) organized as a legal entity in accordance with the declaration.

85 (3) "Building" means a building, containing units, and comprising a part of the

86 property.

87 (4) "Common areas and facilities" unless otherwise provided in the declaration or  
88 lawful amendments to the declaration means:

89 (a) the land included within the condominium project, whether leasehold or in fee  
90 simple;

91 (b) the foundations, columns, girders, beams, supports, main walls, roofs, halls,  
92 corridors, lobbies, stairs, stairways, fire escapes, entrances, and exits of the building;

93 (c) the basements, yards, gardens, parking areas, and storage spaces;

94 (d) the premises for lodging of janitors or persons in charge of the property;

95 (e) installations of central services such as power, light, gas, hot and cold water,  
96 heating, refrigeration, air conditioning, and incinerating;

97 (f) the elevators, tanks, pumps, motors, fans, compressors, ducts, and in general all  
98 apparatus and installations existing for common use;

99 (g) such community and commercial facilities as may be provided for in the  
100 declaration; and

101 (h) all other parts of the property necessary or convenient to its existence, maintenance,  
102 and safety, or normally in common use.

103 (5) "Common expenses" means:

104 (a) all sums lawfully assessed against the unit owners;

105 (b) expenses of administration, maintenance, repair, or replacement of the common  
106 areas and facilities;

107 (c) expenses agreed upon as common expenses by the association of unit owners; and

108 (d) expenses declared common expenses by this chapter, or by the declaration or the  
109 bylaws.

110 (6) "Common profits," unless otherwise provided in the declaration or lawful  
111 amendments to the declaration, means the balance of all income, rents, profits, and revenues  
112 from the common areas and facilities remaining after the deduction of the common expenses.

113 (7) "Condominium" means the ownership of a single unit in a multiunit project

114 together with an undivided interest in common in the common areas and facilities of the  
115 property.

116 (8) "Condominium plat" means a plat or plats of survey of land and units prepared in  
117 accordance with Section 57-8-13.

118 (9) "Condominium project" means a real estate condominium project; a plan or project  
119 whereby two or more units, whether contained in existing or proposed apartments, commercial  
120 or industrial buildings or structures, or otherwise, are separately offered or proposed to be  
121 offered for sale. Condominium project also means the property when the context so requires.

122 (10) "Condominium unit" means a unit together with the undivided interest in the  
123 common areas and facilities appertaining to that unit. Any reference in this chapter to a  
124 condominium unit includes both a physical unit together with its appurtenant undivided interest  
125 in the common areas and facilities and a time period unit together with its appurtenant  
126 undivided interest, unless the reference is specifically limited to a time period unit.

127 (11) "Contractible condominium" means a condominium project from which one or  
128 more portions of the land within the project may be withdrawn in accordance with provisions  
129 of the declaration and of this chapter. If the withdrawal can occur only by the expiration or  
130 termination of one or more leases, then the condominium project is not a contractible  
131 condominium within the meaning of this chapter.

132 (12) "Convertible land" means a building site which is a portion of the common areas  
133 and facilities, described by metes and bounds, within which additional units or limited common  
134 areas and facilities may be created in accordance with this chapter.

135 (13) "Convertible space" means a portion of the structure within the condominium  
136 project, which portion may be converted into one or more units or common areas and facilities,  
137 including limited common areas and facilities in accordance with this chapter.

138 (14) "Declarant" means all persons who execute the declaration or on whose behalf the  
139 declaration is executed. From the time of the recordation of any amendment to the declaration  
140 expanding an expandable condominium, all persons who execute that amendment or on whose  
141 behalf that amendment is executed shall also come within this definition. Any successors of

142 the persons referred to in this subsection who come to stand in the same relation to the  
143 condominium project as their predecessors also come within this definition.

144 (15) "Declaration" means the instrument by which the property is submitted to the  
145 provisions of this act, as it from time to time may be lawfully amended.

146 (16) "Expandable condominium" means a condominium project to which additional  
147 land or an interest in it may be added in accordance with the declaration and this chapter.

148 (17) "Leasehold condominium" means a condominium project in all or any portion of  
149 which each unit owner owns an estate for years in his unit, or in the land upon which that unit  
150 is situated, or both, with all those leasehold interests to expire naturally at the same time. A  
151 condominium project including leased land, or an interest in the land, upon which no units are  
152 situated or to be situated is not a leasehold condominium within the meaning of this chapter.

153 (18) "Limited common areas and facilities" means those common areas and facilities  
154 designated in the declaration as reserved for use of a certain unit or units to the exclusion of the  
155 other units.

156 (19) "Majority" or "majority of the unit owners," unless otherwise provided in the  
157 declaration or lawful amendments to the declaration, means the owners of more than 50% in  
158 the aggregate in interest of the undivided ownership of the common areas and facilities.

159 (20) "Management committee" means the committee as provided in the declaration  
160 charged with and having the responsibility and authority to make and to enforce all of the  
161 reasonable rules covering the operation and maintenance of the property.

162 (21) "Par value" means a number of dollars or points assigned to each unit by the  
163 declaration. Substantially identical units shall be assigned the same par value, but units located  
164 at substantially different heights above the ground, or having substantially different views, or  
165 having substantially different amenities or other characteristics that might result in differences  
166 in market value, may be considered substantially identical within the meaning of this  
167 subsection. If par value is stated in terms of dollars, that statement may not be considered to  
168 reflect or control the sales price or fair market value of any unit, and no opinion, appraisal, or  
169 fair market transaction at a different figure may affect the par value of any unit, or any

170 undivided interest in the common areas and facilities, voting rights in the unit owners'  
171 association, liability for common expenses, or right to common profits, assigned on the basis  
172 thereof.

173 (22) "Person" means an individual, corporation, partnership, association, trustee, or  
174 other legal entity.

175 (23) "Property" means the land, whether leasehold or in fee simple, the building, if any,  
176 all improvements and structures thereon, all easements, rights, and appurtenances belonging  
177 thereto, and all articles of personal property intended for use in connection therewith.

178 (24) "Record," "recording," "recorded," and "recorder" have the meaning stated in Title  
179 57, Chapter 3, Recording of Documents.

180 (25) "Size" means the number of cubic feet, or the number of square feet of ground or  
181 floor space, within each unit as computed by reference to the record of survey map and rounded  
182 off to a whole number. Certain spaces within the units including attic, basement, or garage  
183 space may be omitted from the calculation or be partially discounted by the use of a ratio, if the  
184 same basis of calculation is employed for all units in the condominium project and if that basis  
185 is described in the declaration.

186 (26) "Time period unit" means an annually recurring part or parts of a year specified in  
187 the declaration as a period for which a unit is separately owned and includes a timeshare estate  
188 as defined in Subsection 57-19-2~~(17)~~(19).

189 (27) "Unit" means either a separate physical part of the property intended for any type  
190 of independent use, including one or more rooms or spaces located in one or more floors or  
191 part or parts of floors in a building or a time period unit, as the context may require. A  
192 convertible space shall be treated as a unit in accordance with Subsection 57-8-13.4(3). A  
193 proposed condominium unit under an expandable condominium project, not constructed, is a  
194 unit two years after the date the recording requirements of Section 57-8-13.6 are met.

195 (28) "Unit number" means the number, letter, or combination of numbers and letters  
196 designating the unit in the declaration and in the record of survey map.

197 (29) "Unit owner" means the person or persons owning a unit in fee simple and an

198 undivided interest in the fee simple estate of the common areas and facilities in the percentage  
199 specified and established in the declaration or, in the case of a leasehold condominium project,  
200 the person or persons whose leasehold interest or interests in the condominium unit extend for  
201 the entire balance of the unexpired term or terms.

202 Section 2. Section **57-8-27** is amended to read:

203 **57-8-27. Separate taxation.**

204 (1) Each unit and its percentage of undivided interest in the common or community  
205 areas and facilities shall be considered to be a parcel and shall be subject to separate  
206 assessment and taxation by each assessing unit, local district, and special service district for all  
207 types of taxes authorized by law, including ad valorem levies and special assessments. Neither  
208 the building or buildings, the property, nor any of the common areas and facilities may be  
209 considered a parcel.

210 (2) In the event any of the interests in real property made subject to this chapter by the  
211 declaration are leasehold interests, if the lease creating these interests is of record in the office  
212 of the county recorder, if the balance of the term remaining under the lease is at least 40 years  
213 at the time the leasehold interest is made subject to this chapter, if units are situated or are to be  
214 situated on or within the real property covered by the lease, and if the lease provides that the  
215 lessee shall pay all taxes and assessments imposed by governmental authority, then until 10  
216 years prior to the date that the leasehold is to expire or until the lease is terminated, whichever  
217 first occurs, all taxes and assessments on the real property covered by the lease shall be levied  
218 against the owner of the lessee's interest. If the owner of the reversion under the lease has  
219 executed the declaration and condominium plat, until 10 years prior to the date that the  
220 leasehold is to expire, or until the lease is terminated, whichever first occurs, all taxes and  
221 assessments on the real property covered by the lease shall be separately levied against the unit  
222 owners having an interest in the lease, with each unit owner for taxation purposes being  
223 considered the owner of a parcel consisting of his undivided condominium interest in the fee of  
224 the real property affected by the lease.

225 (3) No forfeiture or sale of the improvements or the property as a whole for delinquent

226 real estate taxes, special assessments, or charges shall divest or in anywise affect the title to an  
227 individual unit if the real estate taxes or duly levied share of the assessments and charges on the  
228 individual unit are currently paid.

229 (4) Any exemption from taxes that may exist on real property or the ownership of the  
230 property may not be denied by virtue of the submission of the property to this chapter.

231 (5) Timeshare interests and timeshare estates, as defined in Subsection  
232 57-19-2[(17)](19), may not be separately taxed but shall be valued, assessed, and taxed at the  
233 unit level. The value of timeshare interests and timeshare estates, for purposes of ad valorem  
234 taxation, shall be determined by valuing the real property interest associated with the timeshare  
235 interest or timeshare estate, exclusive of the value of any intangible property and rights  
236 associated with the acquisition, operation, ownership, and use of the timeshare interest or  
237 timeshare estate, including the fees and costs associated with the sale of timeshare interests and  
238 timeshare estates that exceed those fees and costs normally incurred in the sale of other similar  
239 properties, the fees and costs associated with the operation, ownership, and use of timeshare  
240 interests and timeshare estates, vacation exchange rights, vacation conveniences and services,  
241 club memberships, and any other intangible rights and benefits available to a timeshare unit  
242 owner. Nothing in this section shall be construed as requiring the assessment of any real  
243 property interest associated with a timeshare interest or timeshare estate at less than its fair  
244 market value. Notice of assessment, delinquency, sale, or any other purpose required by law is  
245 considered sufficient for all purposes if the notice is given to the management committee.

246 Section 3. Section 57-19-2 is amended to read:

247 **57-19-2. Definitions.**

248 As used in this chapter, unless the context clearly requires otherwise:

249 (1) "Accommodations" includes hotel or motel rooms, condominium or cooperative  
250 units, cabins, lodges, apartments, and private or commercial structures designed for occupancy  
251 by one or more individuals.

252 (2) "Advertisement" means a written, printed, audio, or visual offer made by general  
253 solicitation.

254           (3) "Association" means an organized body consisting solely of owners of timeshare  
255 interests in a timeshare development that has been registered with the division.

256           (4) "Business day" means a day other than a Saturday, Sunday, or state or federal  
257 holiday.

258           ~~(3)~~ (5) "Camp resort" means any enterprise that has as its primary purpose the  
259 offering of a camp resort interest.

260           ~~(4)~~ (6) "Camp resort interest" means the right to use and occupy a camping site.

261           ~~(5)~~ (7) "Camping site" means a space designed or promoted for the purpose of  
262 locating a trailer, tent, tent trailer, pickup camper, or other similar device used for land-based  
263 portable housing.

264           ~~(6)~~ (8) "Developer" means a person who:

265           (a) establishes, promotes, owns, or operates a timeshare development or camp resort[-];

266 or

267           (b) engages one or more other persons to establish, promote, or operate a timeshare  
268 development or camp resort on the person's behalf.

269           ~~(7)~~ (9) "Director" means the director of the division.

270           ~~(8)~~ (10) "Division" means the Division of Real Estate of the Department of  
271 Commerce.

272           ~~(9)~~ (11) "Executive director" means the executive director of the Department of  
273 Commerce.

274           ~~(10)~~ (12) "Interest" means a camp resort interest or a timeshare interest.

275           ~~(11)~~ (13) "Offer" means a solicitation intended to result in a person purchasing an  
276 interest in a project.

277           ~~(12)~~ (14) "Project" means a camp resort or timeshare development.

278           ~~(13)~~ (15) "Purchaser" means a person who purchases an interest in a project.

279           ~~(14)~~ (16) "Sale" or "sell" means selling an interest in a project for value. It does not  
280 include charging a reasonable fee to offset the administrative costs of transferring an interest in  
281 a project.

282            [~~(15)~~] (17) "Salesperson" means an individual who, for compensation and as agent for  
283 another, is engaged in obtaining commitments of persons to purchase an interest in a project by  
284 making direct sales presentations to those persons. It does not include purchasers or members  
285 engaged in the referral of persons without making a direct sales presentation to them.

286            [~~(16)~~] (18) "Timeshare development" means any enterprise that has as its primary  
287 purpose the offering of a timeshare interest, including a project in which the purchase of an  
288 interest gives the purchaser the right to use and occupy an accommodation at one specific site  
289 or more than one site.

290            [~~(17)~~] (19) "Timeshare interest" means a right to occupy fixed or variable  
291 accommodations during three or more separate fixed or variable time periods over a period of  
292 at least three years, including renewal options, whether or not coupled with an estate in land. It  
293 includes what is commonly known as a "timeshare estate," which is a small undivided  
294 fractional fee interest in real property by which the purchaser does not receive any right to use  
295 accommodations except as provided by contract, declaration, or other instrument defining a  
296 legal right.

297            Section 4. Section **57-19-6** is amended to read:

298            **57-19-6. Effective date of application.**

299            (1) An application for registration filed pursuant to Section 57-19-5 is effective upon  
300 the expiration of 30 business days following its filing with the director, unless:

- 301            (a) an order denying the application pursuant to Section 57-19-13 is in effect;  
302            (b) a prior effective date has been ordered by the director; or  
303            (c) the director has, prior to that date, notified the applicant of a defect in the  
304 registration application.

305            (2) An applicant may consent to the delay of effectiveness until the director by order  
306 declares the registration to be effective.

307            (3) (a) Notwithstanding Section 57-19-4, the division may grant a temporary permit  
308 allowing the developer to begin a sales and marketing program while the registration is in  
309 process.

310 (b) To obtain a temporary permit, the developer shall:

311 ~~[(a)]~~ (i) submit an application to the division for a temporary permit in the form  
312 required by the division;

313 ~~[(b)]~~ (ii) submit a substantially complete application for registration to the division,  
314 including all appropriate fees and exhibits required under Section 57-19-5, plus a temporary  
315 permit fee of \$100;

316 ~~[(c)]~~ (iii) provide evidence acceptable to the division that all funds received by the  
317 developer or marketing agent will be placed into an independent escrow with instructions that  
318 funds will not be released until a final registration has been granted;

319 ~~[(d)]~~ (iv) give to each purchaser and potential purchaser a copy of the proposed  
320 property report that the developer has submitted to the division with the initial application; and

321 ~~[(e)]~~ (v) give to each purchaser the opportunity to cancel the purchase in accordance  
322 with Section 57-19-12. ~~[The]~~

323 (c) A purchaser shall have an additional opportunity to cancel upon the issuance of an  
324 approved registration if the division determines that there is a substantial difference in the  
325 disclosures contained in the final property report and those given to the ~~[purchase]~~ purchaser in  
326 the proposed property report.

327 (4) (a) Notwithstanding Section 57-19-4, a developer or a person acting on behalf of a  
328 developer may market and accept a reservation and deposit from a prospective purchaser before  
329 submitting to the division a registration or temporary permit application for a project if:

330 (i) the deposit is placed in a non-interest bearing escrow account with a licensed real  
331 estate broker, a title company, or another escrow that the division approves in advance; and

332 (ii) the deposit is guaranteed to be fully refundable at any time at the request of the  
333 prospective purchaser.

334 (b) A deposit that a prospective purchaser tenders under Subsection (4)(a) may not be  
335 released to the developer until after:

336 (i) the division approves the project registration; and

337 (ii) the prospective purchaser executes a written purchase contract creating a binding

338 obligation to purchase.

339 Section 5. Section **57-19-8** is amended to read:

340 **57-19-8. Filing proposed documents.**

341 (1) Every developer shall file with the director at least five business days prior to using  
342 any of the following in this state:

343 [~~(a) copies or the proposed text of all advertisements and sales promotion literature;~~]

344 [~~(b)~~] (a) the proposed form of its sales contracts; and

345 [~~(c)~~] (b) copies or the text of any supplements to the written disclosure required to be  
346 furnished to prospective purchasers pursuant to Section 57-19-11.

347 (2) If the text, rather than copies, of the materials specified in Subsection (1) are filed,  
348 copies of these materials shall be filed with the director within five business days following the  
349 date the materials are first used.

350 (3) The developer shall notify the division within five working days if he is convicted  
351 in any court of a crime involving fraud, deception, false pretenses, misrepresentation, false  
352 advertising, or dishonest dealing in real estate transactions, or has been subject to any  
353 injunction or administrative order restraining a false or misleading promotional plan involving  
354 land dispositions.

355 (4) The developer must notify the division within five working days if the developer  
356 files a petition in bankruptcy or if any other event occurs which may have a material adverse  
357 effect on the subdivision.

358 (5) (a) ~~[In] If any suit by or against [the] a developer [involving] of a camp [resorts]~~  
359 ~~resort or timeshare [developments] development results in a court finding that the developer~~  
360 ~~engaged in fraud, deception, false pretenses, misrepresentation, false advertising, or dishonest~~  
361 ~~dealing in a real estate transaction, the developer [promptly] shall promptly furnish the division~~  
362 ~~[notice of the suit and copies of all pleadings. Failure to provide notice] a copy of the final~~  
363 ~~order, settlement agreement, consent agreement, or other document evidencing resolution of~~  
364 ~~the case at the trial level, whether or not an appeal is anticipated.~~

365 (b) A developer's failure to comply with Subsection (5)(a) may, in the discretion of the

366 division, constitute grounds for the division withholding any approval required by this [act]  
367 chapter.

368 Section 6. Section **57-19-12** is amended to read:

369 **57-19-12. Purchaser's right to cancel.**

370 (1) (a) An agreement to purchase an interest in a project may be cancelled, at the option  
371 of the purchaser, if:

372 (i) the purchaser provides to the developer, by hand delivery or certified mail, written  
373 notice of the cancellation; and

374 (ii) the notice is delivered or postmarked not later than midnight of the fifth [~~calendar~~]  
375 business day following the day on which the agreement is signed.

376 (b) In computing the number of [~~calendar~~] business days for purposes of this section,  
377 the day on which the agreement was signed [~~and legal holidays are~~] is not included [~~as~~  
378 "~~calendar days~~"].

379 (c) Within 30 days after receipt of timely notice of cancellation, the developer shall  
380 refund any money or other consideration paid by the purchaser.

381 (2) Every agreement to purchase an interest in a project which is subject to this chapter  
382 shall include the following statement in at least 10-point bold upper-case type, immediately  
383 preceding the space for the purchaser's signature:

384 "PURCHASER'S RIGHT TO CANCEL: YOU MAY CANCEL THIS AGREEMENT  
385 WITHOUT ANY CANCELLATION FEE OR OTHER PENALTY BY HAND DELIVERING  
386 OR SENDING BY CERTIFIED MAIL WRITTEN NOTICE OF CANCELLATION TO:  
387 (NAME AND ADDRESS OF DEVELOPER). THE NOTICE MUST BE DELIVERED OR  
388 POSTMARKED BY MIDNIGHT OF THE FIFTH [~~CALENDAR~~] BUSINESS DAY  
389 FOLLOWING THE DAY ON WHICH THE AGREEMENT IS SIGNED. IN COMPUTING  
390 THE NUMBER OF [~~CALENDAR~~] BUSINESS DAYS, THE DAY ON WHICH THE  
391 CONTRACT IS SIGNED [~~AND LEGAL HOLIDAYS ARE~~] IS NOT INCLUDED."

392 Section 7. Section **57-19-13** is amended to read:

393 **57-19-13. Suspension, revocation, or denial of registration -- Fine.**

394 (1) Subject to Section 57-19-17, an application for registration of a project may be  
395 denied, an existing registration may be suspended or revoked, or a fine of not more than \$500  
396 may be imposed by the director, if ~~he~~ the director finds that:

397 (a) the developer's advertising or sales techniques or trade practices have been or are  
398 deceptive, false, or misleading;

399 (b) the developer has failed to file copies of its [~~advertisements, promotion literature,~~  
400 ~~or~~] sales contract forms as required by Section 57-19-8;

401 (c) the developer has failed to comply with any provision of this chapter or the rules  
402 adopted under this chapter that materially affect or would affect the rights of purchasers or  
403 prospective purchasers of an interest in a project, or that materially affect the administration of  
404 this chapter;

405 (d) the developer's offering of an interest in a project has worked or would work a  
406 fraud upon purchasers or prospective purchasers of such an interest;

407 (e) the developer's application or any amendment to an application is incomplete in any  
408 material respect;

409 (f) the developer's application or any amendment to an application contains material  
410 misrepresentations or omissions of material fact which are necessary to make the statements  
411 contained in the application or amendment not misleading;

412 (g) the developer or any officer or director of the developer has been:

413 (i) convicted of a felony, or any misdemeanor involving theft, fraud, or dishonesty;

414 (ii) enjoined from, assessed a civil penalty for, or found to have engaged in the  
415 violation of any law designed to protect consumers; or

416 (iii) engaged in dishonest practices in any industry involving sales to consumers;

417 (h) the developer has represented or is representing to purchasers in connection with  
418 the offer or sale of an interest in a project that any accommodations, related facilities, or  
419 amenities are planned, without reasonable grounds to believe that they will be completed  
420 within a reasonable time;

421 (i) the developer has disposed of, concealed, or diverted any funds or assets so as to

422 defeat the rights of purchasers; ~~[or]~~

423 (j) the developer has failed to provide to purchasers copies of the written disclosure  
424 required by Section 57-19-11~~[-];~~ or

425 (k) the developer, the developer's successor in interest, or a managing association  
426 discloses a purchaser's name, address, or email address to an unaffiliated entity without first  
427 obtaining written consent from the purchaser, unless the disclosure is in response to a subpoena  
428 or an order of a court or administrative tribunal.

429 (2) The authority to impose fines as provided in this section does not apply to  
430 Subsection (1)(e).

431 (3) Notwithstanding Subsection (1)(k), a developer shall, upon request by the division,  
432 provide the division a list of all purchasers' names, addresses, and email addresses.

433 Section 8. Section **57-19-26** is amended to read:

434 **57-19-26. Exemptions.**

435 (1) Unless entered into for the purpose of evading the provisions of this chapter, the  
436 following transactions are exempt from registration:

437 (a) isolated transactions by an owner of an interest in a project or by a person holding  
438 such an owner's executed power of attorney;

439 (b) an offer or sale by a governmental entity; and

440 ~~[(c) a bona fide pledge of interest in a project.]~~

441 (c) the resale of an interest that is:

442 (i) acquired:

443 (A) by the developer who initially registered the project or by the managing association  
444 of the project; and

445 (B) through a foreclosure, quitclaim deed, deed in lieu of foreclosure, or equivalent  
446 transfer;

447 (ii) not offered as part of a project that includes one or more interests that are  
448 unregistered or have been registered by a different developer or as part of a different project;  
449 and

450 (iii) closed after the developer or managing association provides a purchaser the  
451 disclosures required by Section 57-19-11 and the right to rescind required by Section 57-19-12.

452 (2) After a resale by a developer or managing association that is claimed to be exempt  
453 under Subsection (1)(c), the division retains jurisdiction to:

454 (a) investigate a complaint regarding the resale; and

455 (b) if applicable, take an administrative action against the developer or managing  
456 association on the basis of unprofessional conduct, as provided in Section 57-19-13.

457 ~~[(2)]~~ (3) (a) The director may, by rule or order, exempt any person from any or all  
458 requirements of this chapter if the director finds that the offering of an interest in a project is  
459 essentially noncommercial. ~~[For purposes of this subsection, the]~~

460 (b) The offering of [fewer than] one or more interests in a project that has a maximum  
461 of 10 interests [in a project] is considered essentially noncommercial.

462 Section 9. Section **61-2c-102** is amended to read:

463 **61-2c-102. Definitions.**

464 (1) As used in this chapter:

465 (a) "Affiliation" means that a mortgage loan originator is associated with a principal  
466 lending manager in accordance with Section 61-2c-209.

467 (b) "Applicant" means a person applying for a license under this chapter.

468 (c) "Approved examination provider" means a person approved by the nationwide  
469 database as an approved test provider.

470 (d) "Associate lending manager" means an individual who:

471 (i) qualifies under this chapter as a principal lending manager; and

472 (ii) works by or on behalf of another principal lending manager in transacting the  
473 business of residential mortgage loans.

474 (e) "Branch lending manager" means an individual who is:

475 (i) licensed as a lending manager; and

476 (ii) designated in the nationwide database by the individual's sponsoring entity as being  
477 responsible to work from a branch office and to supervise the business of residential mortgage

478 loans that is conducted at the branch office.

479 [~~e~~] (f) "Branch office" means a licensed entity's office:

480 (i) for the transaction of the business of residential mortgage loans regulated under this  
481 chapter;

482 (ii) other than the main office of the licensed entity; and

483 (iii) that operates under:

484 (A) the same business name as the licensed entity; or

485 (B) another trade name that is registered with the division under the entity license.

486 [~~f~~] (g) "Business day" means a day other than:

487 (i) a Saturday;

488 (ii) a Sunday; or

489 (iii) a federal or state holiday.

490 [~~g~~] (h) (i) "Business of residential mortgage loans" means for compensation or in the  
491 expectation of compensation to:

492 (A) engage in an act that makes an individual a mortgage loan originator;

493 (B) make or originate a residential mortgage loan;

494 (C) directly or indirectly solicit a residential mortgage loan for another;

495 (D) unless excluded under Subsection (1)[~~g~~](h)(ii), render services related to the  
496 origination of a residential mortgage loan including:

497 (I) preparing a loan package;

498 (II) communicating with the borrower or lender; [~~or~~]

499 (III) advising on a loan term; or

500 (IV) acting as a loan processor without being employed by a licensed entity; or

501 (E) engage in loan modification assistance.

502 (ii) "Business of residential mortgage loans" does not include:

503 (A) if working as an employee under the direction of and subject to the supervision and  
504 instruction of a person licensed under this chapter, the performance of a clerical or support duty  
505 such as:

506 (I) the receipt, collection, or distribution of information common for the processing or  
507 underwriting of a loan in the mortgage industry other than taking an application;

508 (II) communicating with a consumer to obtain information necessary for the processing  
509 or underwriting of a residential mortgage loan;

510 (III) word processing;

511 (IV) sending correspondence; [~~or~~]

512 (V) assembling files; or

513 (VI) acting as a loan processor;

514 (B) ownership of an entity that engages in the business of residential mortgage loans if  
515 the owner does not personally perform the acts listed in Subsection (1)[~~(g)~~](h)(i); or

516 (C) except if an individual will engage in an activity as a mortgage loan originator,  
517 acting in one or more of the following capacities:

518 (I) a loan wholesaler;

519 (II) an account executive for a loan wholesaler;

520 (III) a loan underwriter;

521 (IV) a loan closer; or

522 (V) funding a loan; or

523 (D) if employed by a person who owns or services an existing residential mortgage  
524 loan, the direct negotiation with the borrower for the purpose of loan modification.

525 [~~(h)~~] (i) "Certified education provider" means a person who is certified under Section  
526 61-2c-204.1 to provide one or more of the following:

527 (i) Utah-specific prelicensing education; or

528 (ii) Utah-specific continuing education.

529 [~~(i)~~] (j) "Closed-end" means a loan:

530 (i) with a fixed amount borrowed; and

531 (ii) that does not permit additional borrowing secured by the same collateral.

532 [~~(j)~~] (k) "Commission" means the Residential Mortgage Regulatory Commission  
533 created in Section 61-2c-104.

534           ~~[(k)]~~ (l) "Compensation" means anything of economic value that is paid, loaned,  
535 granted, given, donated, or transferred to an individual or entity for or in consideration of:

- 536           (i) services;
- 537           (ii) personal or real property; or
- 538           (iii) another thing of value.

539           ~~[(f)]~~ (m) "Concurrence" means that entities given a concurring role must jointly agree  
540 for the action to be taken.

541           ~~[(n)]~~ (n) "Continuing education" means education taken by an individual licensed  
542 under this chapter in order to meet the education requirements imposed by Sections  
543 61-2c-204.1 and 61-2c-205 to renew a license under this chapter.

544           ~~[(o)]~~ (o) "Control," as used in Subsection 61-2c-105(2)(f), means the power to directly  
545 or indirectly:

- 546           (i) direct or exercise a controlling interest over:
  - 547           (A) the management or policies of an entity; or
  - 548           (B) the election of a majority of the directors, officers, managers, or managing partners
- 549 of an entity;
- 550           (ii) vote 20% or more of a class of voting securities of an entity by an individual; or
- 551           (iii) vote more than 5% of a class of voting securities of an entity by another entity.

552           ~~[(p)]~~ (p) (i) "Control person" means an individual identified by an entity registered with  
553 the nationwide database as being an individual directing the management or policies of the  
554 entity.

555           (ii) "Control person" may include one of the following who is identified as provided in  
556 Subsection (1)~~[(p)]~~(p)(i):

- 557           (A) a manager;
- 558           (B) a managing partner;
- 559           (C) a director;
- 560           (D) an executive officer; or
- 561           (E) an individual who performs a function similar to an individual listed in this

562 Subsection (1)~~(p)~~(p)(ii).

563 ~~(p)~~ (q) "Depository institution" is as defined in Section 7-1-103.

564 ~~(q)~~ (r) "Director" means the director of the division.

565 ~~(r)~~ (s) "Division" means the Division of Real Estate.

566 ~~(s)~~ (t) "Dwelling" means a residential structure attached to real property that contains  
567 one to four units including any of the following if used as a residence:

568 (i) a condominium unit;

569 (ii) a cooperative unit;

570 (iii) a manufactured home; or

571 (iv) a house.

572 (u) "Employee":

573 (i) means an individual:

574 (A) whose manner and means of work performance are subject to the right of control  
575 of, or are controlled by, another person; and

576 (B) whose compensation for federal income tax purposes is reported, or is required to  
577 be reported, on a W-2 form issued by the controlling person; and

578 (ii) does not include an independent contractor who performs duties other than at the  
579 direction of, and subject to the supervision and instruction of, another person.

580 ~~(t)~~ (v) "Entity" means:

581 (i) a corporation;

582 (ii) a limited liability company;

583 (iii) a partnership;

584 (iv) a company;

585 (v) an association;

586 (vi) a joint venture;

587 (vii) a business trust;

588 (viii) a trust; or

589 (ix) another organization.

590           ~~(tt)~~ (w) "Executive director" means the executive director of the Department of  
591 Commerce.

592           ~~(vv)~~ (x) "Federal licensing requirements" means Secure and Fair Enforcement for  
593 Mortgage Licensing, 12 U.S.C. Sec. 5101 et seq.

594           ~~(ww)~~ (y) "Foreclosure rescue" means, for compensation or with the expectation of  
595 receiving valuable consideration, to:

596           (i) engage, or offer to engage, in an act that:

597           (A) the person represents will assist a borrower in preventing a foreclosure; and

598           (B) relates to a transaction involving the transfer of title to residential real property; or

599           (ii) as an employee or agent of another person:

600           (A) solicit, or offer that the other person will engage in an act described in Subsection

601 (1)~~(ww)~~(y)(i); or

602           (B) negotiate terms in relationship to an act described in Subsection (1)~~(ww)~~(y)(i).

603           ~~(xx)~~ (z) "Inactive status" means a dormant status into which an unexpired license is  
604 placed when the holder of the license is not currently engaging in the business of residential  
605 mortgage loans.

606           ~~(aa)~~ (aa) "Lending manager" means an individual licensed as a lending manager under  
607 Section 61-2c-206 to transact the business of residential mortgage loans.

608           ~~(yy)~~ (bb) "Licensee" means a person licensed with the division under this chapter.

609           ~~(zz)~~ (cc) "Licensing examination" means the examination required by Section  
610 61-2c-204.1 or 61-2c-206 for an individual to obtain a license under this chapter.

611           ~~(aa)~~ (dd) "Loan modification assistance" means, for compensation or with the  
612 expectation of receiving valuable consideration, to:

613           (i) act, or offer to act, on behalf of a person to:

614           (A) obtain a loan term of a residential mortgage loan that is different from an existing  
615 loan term including:

616           (I) an increase or decrease in an interest rate;

617           (II) a change to the type of interest rate;

- 618 (III) an increase or decrease in the principal amount of the residential mortgage loan;
- 619 (IV) a change in the number of required period payments;
- 620 (V) an addition of collateral;
- 621 (VI) a change to, or addition of, a prepayment penalty;
- 622 (VII) an addition of a cosigner; or
- 623 (VIII) a change in persons obligated under the existing residential mortgage loan; or
- 624 (B) substitute a new residential mortgage loan for an existing residential mortgage
- 625 loan; or
- 626 (ii) as an employee or agent of another person:
- 627 (A) solicit, or offer that the other person will engage in an act described in Subsection
- 628 (1)~~(aa)~~(dd)(i); or
- 629 (B) negotiate terms in relationship to an act described in Subsection (1)~~(aa)~~(dd)(i).
- 630 ~~(bb)~~ (ee) (i) Except as provided in Subsection (1)~~(bb)~~(ee)(ii), "mortgage loan
- 631 originator" means an individual who for compensation or in expectation of compensation:
- 632 (A) (I) takes a residential mortgage loan application; or
- 633 (II) offers or negotiates terms of a residential mortgage loan for the purpose of:
- 634 (Aa) a purchase;
- 635 (Bb) a refinance;
- 636 (Cc) a loan modification assistance; or
- 637 (Dd) a foreclosure rescue; and
- 638 (B) is licensed as a mortgage loan originator in accordance with this chapter.
- 639 (ii) "Mortgage loan originator" does not include a person who:
- 640 (A) is described in Subsection (1)~~(bb)~~(ee)(i), but who performs exclusively
- 641 administrative or clerical tasks as described in Subsection (1)~~(g)~~(h)(ii)(A);
- 642 (B) (I) is licensed under Chapter 2f, Real Estate Licensing and Practices Act;
- 643 (II) performs only real estate brokerage activities; and
- 644 (III) receives no compensation from:
- 645 (Aa) a lender;

646 (Bb) a ~~[principal]~~ lending manager; or

647 (Cc) an agent of a lender or ~~[principal]~~ lending manager; or

648 (C) is solely involved in extension of credit relating to a timeshare plan, as defined in

649 11 U.S.C. Sec. 101(53D).

650 ~~[(cc)]~~ (ff) "Nationwide database" means the Nationwide Mortgage Licensing System  
651 and Registry, authorized under federal licensing requirements.

652 ~~[(dd)]~~ (gg) "Nontraditional mortgage product" means a mortgage product other than a  
653 30-year fixed rate mortgage.

654 ~~[(ee)]~~ (hh) "Person" means an individual or entity.

655 ~~[(ff)]~~ (ii) "Prelicensing education" means education taken by an individual seeking to  
656 be licensed under this chapter in order to meet the education requirements imposed by Section  
657 61-2c-204.1 or 61-2c-206 for an individual to obtain a license under this chapter.

658 ~~[(gg)]~~ (i) (jj) "Principal lending manager" means an individual:

659 (i) licensed as a ~~[principal]~~ lending manager under Section 61-2c-206 ~~[to transact the~~  
660 ~~business of residential mortgage loans.]; and~~

661 (ii) identified in the nationwide database by the individual's sponsoring entity as the  
662 entity's principal lending manager.

663 ~~[(ii) An individual who is a principal lending manager may transact the business of~~  
664 ~~residential mortgage loans as a mortgage loan originator.]~~

665 ~~[(hh)]~~ (kk) "Record" means information that is:

666 (i) prepared, owned, received, or retained by a person; and

667 (ii) (A) inscribed on a tangible medium; or

668 (B) (I) stored in an electronic or other medium; and

669 (II) in a perceivable and reproducible form.

670 (ll) "Referral fee":

671 (i) means any fee, kickback, or thing of value tendered for a referral of business or a  
672 service incident to or part of a residential mortgage loan transaction; and

673 (ii) does not mean a payment made:

674            (A) by a licensed entity to an individual employed by the entity;  
675            (B) under a contractual incentive program; and  
676            (C) according to rules made by the division in accordance with Title 63G, Chapter 3,  
677 Utah Administrative Rulemaking Act.

678            ~~[(ii)]~~ (mm) "Residential mortgage loan" means an extension of credit, if:  
679            (i) the loan or extension of credit is secured by a:  
680            (A) mortgage;  
681            (B) deed of trust; or  
682            (C) consensual security interest;  
683            (ii) the mortgage, deed of trust, or consensual security interest described in Subsection  
684 (1)~~[(ii)]~~(mm)(i):  
685            (A) is on a dwelling located in the state; and  
686            (B) is created with the consent of the owner of the residential real property; and  
687            (iii) solely for the purposes of defining "mortgage loan originator," the extension of  
688 credit is primarily for personal, family, or household use.

689            ~~[(jj)]~~ (nn) "Sponsorship" means an association in accordance with Section 61-2c-209  
690 between an individual licensed under this chapter and an entity licensed under this chapter.

691            ~~[(kk)]~~ (oo) "State" means:  
692            (i) a state, territory, or possession of the United States;  
693            (ii) the District of Columbia; or  
694            (iii) the Commonwealth of Puerto Rico.

695            ~~[(H)]~~ (pp) "Unique identifier" is as defined in 12 U.S.C. Sec. 5102.

696            ~~[(mm)]~~ (qq) "Utah-specific" means an educational or examination requirement under  
697 this chapter that relates specifically to Utah.

698            (2) (a) If a term not defined in this section is defined by rule, the term shall have the  
699 meaning established by the division by rule made in accordance with Title 63G, Chapter 3,  
700 Utah Administrative Rulemaking Act.

701            (b) If a term not defined in this section is not defined by rule, the term shall have the

702 meaning commonly accepted in the business community.

703 Section 10. Section **61-2c-103** is amended to read:

704 **61-2c-103. Powers and duties of the division.**

705 (1) The division shall administer this chapter.

706 (2) In addition to a power or duty expressly provided in this chapter, the division may:

707 (a) receive and act on a complaint including:

708 (i) taking action designed to obtain voluntary compliance with this chapter; or

709 (ii) commencing an administrative or judicial proceeding on the division's own  
710 initiative;

711 (b) establish one or more programs for the education of consumers with respect to  
712 residential mortgage loans;

713 (c) (i) make one or more studies appropriate to effectuate the purposes and policies of  
714 this chapter; and

715 (ii) make the results of the studies described in Subsection (2)(c)(i) available to the  
716 public;

717 (d) visit and investigate a person licensed under this chapter, regardless of whether the  
718 person is located in Utah;

719 (e) employ one or more necessary hearing examiners, investigators, clerks, and other  
720 employees and agents; and

721 (f) establish fees under Section 63J-1-504 for:

722 (i) processing an application for licensing or certification; and

723 (ii) any other function required or permitted by this chapter.

724 (3) The division shall make rules for the administration of this chapter in accordance  
725 with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, including:

726 (a) licensure procedures for:

727 (i) a person required by this chapter to obtain a license with the division; and

728 (ii) the establishment of a branch office by an entity;

729 (b) proper handling of money received by a licensee;

- 730 (c) record-keeping requirements by a licensee, including proper disposal of a record;
- 731 (d) certification procedures for certifying an education provider; and
- 732 (e) standards of conduct for a licensee or certified education provider.
- 733 (4) The division may by rule made in accordance with Title 63G, Chapter 3, Utah
- 734 Administrative Rulemaking Act, require as a condition of maintaining a license or certification
- 735 under this chapter that a person comply with a requirement of the nationwide database if:
- 736 (a) required for uniformity amongst states; and
- 737 (b) not inconsistent with this chapter.
- 738 (5) The division shall by rule made in accordance with Title 63G, Chapter 3, Utah
- 739 Administrative Rulemaking Act, provide a process under which an individual may challenge
- 740 information contained in the nationwide database.
- 741 (6) The division shall annually:
- 742 (a) review the requirements related to the nationwide database imposed by federal
- 743 licensing requirements or the nationwide database on:
- 744 (i) the division;
- 745 (ii) a licensee under this chapter;
- 746 (iii) a certified education provider; or
- 747 (iv) an approved examination provider; and
- 748 (b) after the review required by Subsection (6)(a):
- 749 (i) report to the Business and Labor Interim Committee the impact of the requirements
- 750 on the implementation by the division of this chapter; and
- 751 (ii) recommend legislation, if any, to the Business and Labor Interim Committee
- 752 related to how the division should coordinate with the nationwide database.
- 753 (7) The division may enter into a relationship or contract with the nationwide database
- 754 or another entity designated by the nationwide database to do the following related to a licensee
- 755 or other person subject to this chapter:
- 756 (a) collect or maintain a record; and
- 757 (b) process a transaction fee or other fee.

758 (8) The division shall regularly report the following to the nationwide database:

759 (a) a violation of this chapter;

760 (b) licensing or disciplinary action under this chapter; and

761 (c) other information relevant to this chapter.

762 (9) If a person pays a fee or costs to the division with a negotiable instrument or any  
763 other method that is not honored for payment:

764 (a) the transaction for which the payment is submitted is voidable by the division;

765 (b) the division may reverse the transaction if payment of the applicable fee or costs is  
766 not received in full; and

767 (c) the person's license, certification, or registration is automatically suspended:

768 (i) beginning the day on which the payment is due; and

769 (ii) ending the day on which payment is made in full.

770 Section 11. Section **61-2c-106** is amended to read:

771 **61-2c-106. Addresses provided the division.**

772 (1) (a) A person shall provide a physical location or street address when the person  
773 provides the nationwide database an address required by the division.

774 (b) The following when provided under this chapter is public information:

775 (i) a business address; or

776 (ii) a mailing address.

777 (2) A licensee is considered to have received a notification that is mailed to the last  
778 mailing address furnished to the nationwide database by:

779 (a) ~~[if the licensee is an individual,]~~ the individual, if the licensee is an individual; or

780 (b) ~~[if the licensee is an entity,]~~ the ~~[principal]~~ lending manager ~~[of]~~ who is designated  
781 within the nationwide database to act as the principal lending manager for the entity, if the  
782 licensee is an entity.

783 Section 12. Section **61-2c-203** is amended to read:

784 **61-2c-203. General qualifications for licensure.**

785 (1) To qualify for licensure under this chapter, a person shall demonstrate through

786 procedures established by rule made by the division in accordance with Title 63G, Chapter 3,  
787 Utah Administrative Rulemaking Act:

- 788 (a) financial responsibility;
- 789 (b) good moral character, honesty, integrity, and truthfulness; and
- 790 (c) the competence to transact the business of residential mortgage loans, including  
791 general fitness such as to command the confidence of the community and to warrant a  
792 determination that the person will operate honestly, fairly, and efficiently within the purposes  
793 of this chapter.

794 (2) If an applicant is an entity, the applicant may not have a control person who fails to  
795 meet the requirements of Subsection (1) for an individual applicant.

796 (3) (a) The division shall determine whether an applicant with a criminal history  
797 qualifies for licensure.

798 (b) If the division, acting under Subsection (3)(a), denies or restricts a license or places  
799 a license on probation, the applicant may petition the commission for de novo review of the  
800 application.

801 Section 13. Section **61-2c-204.1** is amended to read:

802 **61-2c-204.1. Education providers -- Education requirements -- Examination**  
803 **requirements.**

804 (1) As used in this section:

805 (a) "Approved continuing education course" means a course of continuing education  
806 that is approved by the nationwide database.

807 (b) "Approved prelicensing education course" means a course of prelicensing education  
808 that is approved by the nationwide database.

809 (2) (a) A person may not provide Utah-specific prelicensing education or Utah-specific  
810 continuing education if that person is not certified by the division under this chapter.

811 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
812 division shall make rules establishing:

813 (i) certification criteria and procedures to become a certified education provider; and

814 (ii) standards of conduct for a certified education provider.

815 (c) In accordance with the rules described in Subsection (2)(b), the division shall  
816 certify a person to provide the education described in Subsection (2)(a).

817 (d) (i) Upon request, the division shall make available to the public a list of the names  
818 and addresses of certified education providers either directly or through a third party.

819 (ii) A person who requests a list under this Subsection (2)(d) shall pay the costs  
820 incurred by the division to make the list available.

821 (e) In certifying a person as a certified education provider, the division by rule may:

822 (i) distinguish between an individual instructor and an entity that provides education;  
823 or

824 (ii) approve:

825 (A) Utah-specific prelicensing education; or  
826 (B) Utah-specific continuing education courses.

827 (3) (a) The division may not:

828 (i) license an individual under this chapter as a mortgage loan originator who has not  
829 completed the prelicensing education required by this section:

830 (A) before taking the one or more licensing examinations required by Subsection (4);  
831 (B) in the number of hours, not to exceed 90 hours, required by rule made by the  
832 division in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act; and  
833 (C) that includes the prelicensing education required by federal licensing regulations;

834 (ii) subject to Subsection (6), renew a license of an individual who has not completed  
835 the continuing education required by this section and Section 61-2c-205:

836 (A) in the number of hours required by rule made by the division in accordance with  
837 Title 63G, Chapter 3, Utah Administrative Rulemaking Act; and  
838 (B) that includes the continuing education required by federal licensing regulations; or

839 (iii) license an individual under this chapter as a [~~principal~~] lending manager who has  
840 not completed the prelicensing education required by Section 61-2c-206 before taking the  
841 licensing examination required by Section 61-2c-206.

842 (b) Subject to Subsection (3)(a) and with the concurrence of the division, the  
843 commission shall determine:

844 (i) except as provided in Subsection 61-2c-206(1)(b), the appropriate number of hours  
845 of preclicensing education required to obtain a license;

846 (ii) the subject matters of the preclicensing education required under this section and  
847 Section 61-2c-206, including online education or distance learning options;

848 (iii) the appropriate number of hours of continuing education required to renew a  
849 license; and

850 (iv) the subject matter of courses the division may accept for continuing education  
851 purposes.

852 (c) The commission may appoint a committee to make recommendations to the  
853 commission concerning approval of preclicensing education and continuing education courses,  
854 except that the commission shall appoint at least one member to the committee to represent  
855 each association that represents a significant number of individuals licensed under this chapter.

856 (d) The division may by rule made in accordance with Title 63G, Chapter 3, Utah  
857 Administrative Rulemaking Act, provide for the calculation of continuing education credits,  
858 except that the rules shall be consistent with 12 U.S.C. Sec. 5105.

859 (4) (a) The division may not license an individual under this chapter unless that  
860 individual first passes the one or more licensing examinations that:

861 (i) are adopted by the division in accordance with Title 63G, Chapter 3, Utah  
862 Administrative Rulemaking Act;

863 (ii) meet the minimum federal licensing requirements; and

864 (iii) are administered by an approved examination provider.

865 (b) The commission, with the concurrence of the division, shall determine the  
866 requirements for:

867 (i) a licensing examination that at least:

868 (A) meets the minimum federal licensing requirements; and

869 (B) tests knowledge of the:

- 870 (I) fundamentals of the English language;
- 871 (II) arithmetic;
- 872 (III) provisions of this chapter;
- 873 (IV) rules adopted under this chapter;
- 874 (V) basic residential mortgage principles and practices; and
- 875 (VI) any other aspect of Utah law the commission determines is appropriate; and
- 876 (ii) a licensing examination required under Section 61-2c-206 that:
  - 877 (A) meets the requirements of Subsection (4)(b)(i); and
  - 878 (B) tests knowledge of the:
    - 879 (I) advanced residential mortgage principles and practices; and
    - 880 (II) other aspects of Utah law the commission, with the concurrence of the division,
    - 881 determines appropriate.
- 882 (c) An individual who will engage in an activity as a mortgage loan originator, is not
- 883 considered to have passed a licensing examination if that individual has not met the minimum
- 884 competence requirements of 12 U.S.C. Sec. 5104(d)(3).
- 885 (5) When reasonably practicable, the commission and the division shall make the
- 886 Utah-specific education requirements described in this section available electronically through
- 887 one or more distance education methods approved by the commission and division.
- 888 (6) (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
- 889 the commission, with the concurrence of the division, shall make rules establishing procedures
- 890 under which a licensee may be exempted from a Utah-specific continuing education
- 891 requirement:
  - 892 (i) for a period not to exceed four years; and
  - 893 (ii) upon a finding of reasonable cause.
- 894 (b) An individual who engages in an activity as a mortgage loan originator may not
- 895 under this Subsection (6) be exempted from the minimum continuing education required under
- 896 federal licensing regulations for an individual who engages in an activity as a mortgage loan
- 897 originator.

898 Section 14. Section **61-2c-205** is amended to read:

899 **61-2c-205. Term of licensure -- Renewal -- Reporting of changes.**

900 (1) (a) A license issued under this chapter expires as follows:

901 (i) for the calendar year the license is issued:

902 (A) if the license is issued on or before October 31, the license expires on December 31  
903 of the same calendar year; and

904 (B) if the license is issued on or after November 1, the license expires on December 31  
905 of the following calendar year; and

906 (ii) after the December 31 on which a license expires under Subsection (1)(a)(i), a  
907 license expires annually on December 31.

908 (b) Notwithstanding Subsection (1)(a), the time period of a license may be extended or  
909 shortened by as much as one year to maintain or change a renewal cycle established by rule by  
910 the division.

911 (2) To renew a license, no later than the date the license expires, a licensee shall in a  
912 manner provided by the division by rule:

913 (a) file a renewal statement;

914 (b) furnish the information required by Subsection 61-2c-202(1);

915 (c) renew the licensee's registration with the nationwide database, including the  
916 payment of a fee required by the nationwide database;

917 (d) pay a fee to the division established by the division in accordance with Section  
918 63J-1-504; and

919 (e) if the licensee is an individual [~~and the individual's license is in active status at the~~  
920 ~~time of application for renewal~~], submit proof of having completed [~~during the year before~~  
921 ~~application~~] the continuing education required under Section 61-2c-204.1, according to the  
922 deadline the division establishes by rule in accordance with Title 63G, Chapter 3, Utah  
923 Administrative Rulemaking Act.

924 (3) (a) A licensee under this chapter shall notify the division in a manner provided by  
925 the division by rule within 10 days of the date on which there is a change in:

926 (i) a name under which the licensee transacts the business of residential mortgage loans  
927 in this state;

928 (ii) (A) if the licensee is an entity, the business location of the licensee; or

929 (B) if the licensee is an individual, the home and business addresses of the individual;

930 (iii) the principal lending manager of the entity;

931 (iv) the entity with which an individual licensee is licensed to conduct the business of  
932 residential mortgage loans; or

933 (v) any other information that is defined as material by rule made by the division.

934 (b) Failure to notify the division of a change described in Subsection (3)(a) is separate  
935 grounds for disciplinary action against a licensee.

936 (c) The division may charge a fee established in accordance with Section 63J-1-504 for  
937 processing a change that a licensee is required to report to the division under Subsection (3)(a).

938 (4) (a) A licensee shall notify the division by sending the division a signed statement  
939 within 10 business days of:

940 (i) ~~[(A)]~~ a conviction of, or the entry of a plea in abeyance to:

941 (A) a felony~~[, class A misdemeanor, or class B misdemeanor]; or~~

942 ~~[(B) the entry of a plea in abeyance to a felony, class A misdemeanor, or class B~~  
943 ~~misdemeanor; or]~~

944 (B) a misdemeanor involving financial services or a financial services-related business,  
945 fraud, a false statement or omission, theft or wrongful taking of property, bribery, perjury,  
946 forgery, counterfeiting, or extortion;

947 ~~[(C)]~~ (ii) the potential resolution of a felony~~[, class A misdemeanor;] or [class B] of a~~  
948 misdemeanor described in Subsection (4)(a)(i)(B) by a diversion agreement, or any other  
949 agreement under which a criminal charge is held in suspense for a period of time;

950 ~~[(D)]~~ (iii) filing a personal bankruptcy or bankruptcy of a business that transacts the  
951 business of residential mortgage loans;

952 ~~[(E)]~~ (iv) the suspension, revocation, surrender, cancellation, or denial of a  
953 professional license or professional registration of the licensee, whether the license or

954 registration is issued by this state or another jurisdiction; or

955 [~~(iv)~~] (v) the entry of a cease and desist order or a temporary or permanent injunction:

956 (A) against the licensee by a court or licensing agency; and

957 (B) based on conduct or a practice involving the business of residential mortgage loans,  
 958 or conduct involving fraud, misrepresentation, or deceit.

959 (b) The commission, with the concurrence of the division, shall enforce the reporting  
 960 requirement under this Subsection (4) pursuant to Section 61-2c-402.

961 (5) (a) A license under this chapter expires if the licensee does not apply to renew the  
 962 license on or before the expiration date of the license.

963 (b) A licensee whose license has expired may apply to reinstate the expired license, in  
 964 a manner provided by the division by rule by:

965 (i) requesting reinstatement;

966 (ii) paying to the division a renewal fee and a late fee determined by the division under  
 967 Section 63J-1-504; and

968 (iii) reinstating the licensee's registration with the nationwide database, including the  
 969 payment of a fee required by the nationwide database.

970 Section 15. Section **61-2c-206** is amended to read:

971 **61-2c-206. Lending manager licenses.**

972 (1) To qualify for licensure as a [~~principal~~] lending manager under this chapter, an  
 973 individual shall:

974 (a) meet the standards in Section 61-2c-203;

975 (b) successfully complete the following education:

976 (i) mortgage loan originator prelicensing education as required by federal licensing  
 977 regulations; and

978 (ii) 40 hours of Utah-specific prelicensing education for a [~~principal~~] lending manager  
 979 that is approved by the division under Section 61-2c-204.1;

980 (c) successfully complete the following examinations:

981 (i) the mortgage loan originator licensing examination as approved by the nationwide

982 database; and

983 (ii) the [~~principal~~] lending manager licensing examination approved by the commission  
984 under Section 61-2c-204.1;

985 (d) submit proof<sub>1</sub> on a form approved by the division<sub>1</sub> of three years of full-time active  
986 experience as a mortgage loan originator licensed in any state in the five years preceding the  
987 day on which the application is submitted, or equivalent experience as approved by the  
988 commission;

989 (e) submit an application in a manner established by the division by rule;

990 (f) establish sponsorship with an entity licensed under this chapter;

991 (g) if the individual is not registered in the nationwide database as a mortgage loan  
992 originator at the time of application, submit to the criminal background check required by  
993 Subsection 61-2c-202(1)(b); and

994 (h) pay a fee determined by the division under Section 63J-1-504.

995 (2) A [~~principal~~] lending manager may not:

996 (a) engage in the business of residential mortgage loans on behalf of more than one  
997 entity at the same time; [~~or~~]

998 (b) be sponsored by more than one entity at the same time[~~;~~]; or

999 (c) act simultaneously as the principal lending manager and branch lending manager  
1000 for the individual's sponsoring entity, if the entity operates from more than one office located  
1001 within the state.

1002 (3) An individual who is a lending manager may:

1003 (a) transact the business of residential mortgage loans as a mortgage loan originator;

1004 and

1005 (b) be designated within the nationwide database to act for the individual's sponsoring  
1006 entity as the principal lending manager, an associate lending manager, or a branch lending  
1007 manager.

1008 Section 16. Section **61-2c-209** is amended to read:

1009 **61-2c-209. Sponsorship -- Affiliation.**

1010 (1) (a) The division may not license an individual, and an individual licensed under this  
1011 chapter may not conduct the business of residential mortgage loans unless:

- 1012 (i) if licensed as a mortgage loan originator, the individual:  
1013 (A) is sponsored by an entity licensed under this chapter; and  
1014 (B) is affiliated with [a] the sponsoring entity's principal lending manager; or  
1015 (ii) if licensed as a [~~principal~~] lending manager, the individual is sponsored by an entity  
1016 licensed under this chapter.

1017 (b) The division may not license any entity and an entity licensed under this chapter  
1018 may not conduct the business of residential mortgage loans unless the entity:

- 1019 (i) sponsors a principal lending manager;  
1020 (ii) identifies at least one control person for the entity; and  
1021 (iii) provides a list of the mortgage loan originators sponsored by the entity.

1022 (2) (a) A mortgage loan originator's license automatically becomes inactive the day on  
1023 which:

- 1024 (i) the mortgage loan originator is not sponsored by an entity licensed under this  
1025 chapter;  
1026 (ii) the license of the entity with which the mortgage loan originator is sponsored  
1027 becomes inactive or terminates;  
1028 (iii) the mortgage loan originator is not affiliated with a principal lending manager; or  
1029 (iv) the license of the principal lending manager with whom the mortgage loan  
1030 originator is affiliated becomes inactive or terminates.

1031 (b) A [~~principal~~] lending manager's license automatically becomes inactive the day on  
1032 which:

- 1033 (i) the [~~principal~~] lending manager is not sponsored by an entity licensed under this  
1034 chapter; or  
1035 (ii) the license of the entity with which the [~~principal~~] lending manager is sponsored  
1036 becomes inactive or terminates.

1037 (c) A entity licensed under this chapter automatically becomes inactive the day on

1038 which the entity's sponsorship with its principal lending manager terminates.

1039 (3) (a) A person whose license is inactive may not transact the business of residential  
1040 mortgage loans.

1041 (b) To activate an inactive mortgage loan originator license, an individual shall:

1042 (i) provide evidence that the individual:

1043 (A) is sponsored by an entity that holds an active license under this chapter; and

1044 (B) is affiliated with a principal lending manager who holds an active license under this  
1045 chapter; and

1046 (ii) pay a fee to the division set in accordance with Section 63J-1-504.

1047 (c) To activate an inactive [~~principal~~] lending manager license, an individual shall:

1048 (i) provide evidence that the individual is sponsored by an entity that holds an active  
1049 license under this chapter; and

1050 (ii) pay a fee to the division set in accordance with Section 63J-1-504.

1051 (d) To activate an inactive license held by an entity, an entity shall:

1052 (i) provide evidence of the entity's sponsorship of a principal lending manager; and

1053 (ii) pay a fee to the division set in accordance with Section 63J-1-504.

1054 (4) (a) A mortgage loan originator shall conduct the business of residential mortgage  
1055 loans only:

1056 (i) through the [~~principal lending manager with whom~~] entity by which the individual  
1057 is [~~affiliated~~] sponsored; and

1058 (ii) in the business name under which the sponsoring entity's principal lending manager  
1059 is authorized by the division to do business.

1060 (b) An individual licensed under this chapter may not:

1061 (i) engage in the business of residential mortgage loans on behalf of more than one  
1062 entity at the same time;

1063 (ii) be sponsored by more than one entity at the same time;

1064 (iii) transact the business of residential mortgage loans for the following at the same  
1065 time:

1066 (A) an entity licensed under this chapter; and  
1067 (B) an entity that is exempt from licensure under Section 61-2c-105; or  
1068 (iv) if the individual is a mortgage loan originator, receive consideration for transacting  
1069 the business of residential mortgage loans from any person except the principal lending  
1070 manager [~~with whom the mortgage loan originator is affiliated~~] of the mortgage loan  
1071 originator's sponsoring entity.  
1072 (c) This Subsection (4) does not restrict the number of:  
1073 (i) different lenders a person may use as a funding source for a residential mortgage  
1074 loan; or  
1075 (ii) entities in which an individual may have an ownership interest, regardless of  
1076 whether the entities are:  
1077 (A) licensed under this chapter; or  
1078 (B) exempt under Section 61-2c-105.  
1079 (5) The division by rule made in accordance with Title 63G, Chapter 3, Utah  
1080 Administrative Rulemaking Act, may make rules that:  
1081 (a) define what constitutes:  
1082 (i) affiliation; or  
1083 (ii) sponsorship; and  
1084 (b) provide procedures by which:  
1085 (i) an individual who is licensed under this chapter may provide evidence of  
1086 sponsorship by an entity that is licensed under this chapter;  
1087 (ii) a mortgage loan originator may provide evidence of affiliation with a principal  
1088 lending manager; and  
1089 (iii) an entity licensed under this chapter may:  
1090 (A) provide evidence of its sponsorship of a principal lending manager;  
1091 (B) identify at least one control person for the entity; and  
1092 (C) provide a list of the one or more mortgage loan originators that the entity sponsors.  
1093 Section 17. Section **61-2c-301** is amended to read:

1094 **61-2c-301. Prohibited conduct -- Violations of the chapter.**

1095 (1) A person transacting the business of residential mortgage loans in this state may  
1096 not:

1097 (a) give or receive a referral fee, other compensation, or anything of value in exchange  
1098 for a referral of residential mortgage loan business;

1099 (b) charge a fee in connection with a residential mortgage loan transaction:

1100 (i) that is excessive; or

1101 (ii) without providing to the loan applicant a written statement signed by the loan  
1102 applicant:

1103 (A) stating whether or not the fee or deposit is refundable; and

1104 (B) describing the conditions, if any, under which all or a portion of the fee or deposit  
1105 will be refunded to the applicant;

1106 (c) give or receive compensation or anything of value in exchange for a referral of  
1107 settlement or loan closing services related to a residential mortgage loan transaction;

1108 (d) do any of the following to induce a lender to extend credit as part of a residential  
1109 mortgage loan transaction:

1110 (i) make a false statement or representation;

1111 (ii) cause false documents to be generated; or

1112 (iii) knowingly permit false information to be submitted by any party;

1113 (e) give or receive compensation or anything of value, or withhold or threaten to  
1114 withhold payment of an appraiser fee, to influence the independent judgment of an appraiser in  
1115 reaching a value conclusion in a residential mortgage loan transaction, except that it is not a  
1116 violation of this section for a licensee to withhold payment because of a bona fide dispute  
1117 regarding a failure of the appraiser to comply with the licensing law or the Uniform Standards  
1118 of Professional Appraisal Practice;

1119 (f) violate or not comply with:

1120 (i) this chapter;

1121 (ii) an order of the commission or division; or

- 1122 (iii) a rule made by the division;
- 1123 (g) fail to respond within the required time period to:
- 1124 (i) a notice or complaint of the division; or
- 1125 (ii) a request for information from the division;
- 1126 (h) make false representations to the division, including in a licensure statement;
- 1127 (i) for a residential mortgage loan transaction beginning on or after January 1, 2004,
- 1128 engage in the business of residential mortgage loans with respect to the transaction if the
- 1129 person also acts in any of the following capacities with respect to the same residential mortgage
- 1130 loan transaction:
- 1131 (i) appraiser;
- 1132 (ii) escrow agent;
- 1133 (iii) real estate agent;
- 1134 (iv) general contractor; or
- 1135 (v) title insurance producer;
- 1136 (j) order a title insurance report or hold a title insurance policy unless the person
- 1137 provides to the title insurer a copy of a valid, current license under this chapter;
- 1138 (k) engage in unprofessional conduct as defined by rule;
- 1139 (l) engage in an act or omission in transacting the business of residential mortgage
- 1140 loans that constitutes dishonesty, fraud, or misrepresentation;
- 1141 (m) engage in false or misleading advertising;
- 1142 (n) (i) fail to account for money received in connection with a residential mortgage
- 1143 loan;
- 1144 (ii) use money for a different purpose from the purpose for which the money is
- 1145 received; or
- 1146 (iii) except as provided in Subsection (4), retain money paid for services if the services
- 1147 are not performed;
- 1148 (o) fail, within 90 calendar days of a request from a borrower who has paid for an
- 1149 appraisal, to give a copy of an appraisal ordered and used for a transaction to the borrower;

- 1150 (p) engage in an act that is performed to:
- 1151 (i) evade this chapter; or
- 1152 (ii) assist another person to evade this chapter;
- 1153 (q) recommend or encourage default, delinquency, or continuation of an existing
- 1154 default or delinquency, by a mortgage applicant on an existing indebtedness before the closing
- 1155 of a residential mortgage loan that will refinance all or part of the indebtedness;
- 1156 (r) in the case of the [~~principal~~] lending manager of an entity or a branch office of an
- 1157 entity, fail to exercise reasonable supervision over the activities of:
- 1158 (i) unlicensed staff; and
- 1159 (ii) a mortgage loan originator who is affiliated with the [~~principal~~] lending manager;
- 1160 (s) pay or offer to pay an individual who does not hold a license under this chapter for
- 1161 work that requires the individual to hold a license under this chapter;
- 1162 (t) in the case of a dual licensed title licensee as defined in Section 31A-2-402:
- 1163 (i) provide a title insurance product or service without the approval required by Section
- 1164 31A-2-405; or
- 1165 (ii) knowingly provide false or misleading information in the statement required by
- 1166 Subsection 31A-2-405(2);
- 1167 (u) represent to the public that the person can or will perform any act of a mortgage
- 1168 loan originator if that person is not licensed under this chapter because the person is exempt
- 1169 under Subsection 61-2c-102(1)[~~(g)~~](h)(ii)(A), including through:
- 1170 (i) advertising;
- 1171 (ii) a business card;
- 1172 (iii) stationery;
- 1173 (iv) a brochure;
- 1174 (v) a sign;
- 1175 (vi) a rate list; or
- 1176 (vii) other promotional item; or
- 1177 (v) (i) engage in an act of loan modification assistance without being licensed under

1178 this chapter;

1179 (ii) engage in an act of foreclosure rescue that requires licensure as a real estate agent  
1180 or real estate broker under Chapter 2, Division of Real Estate, without being licensed under  
1181 that chapter;

1182 (iii) engage in an act of loan modification assistance without entering into a written  
1183 agreement specifying which one or more acts of loan modification assistance will be  
1184 completed;

1185 (iv) request or require a person to pay a fee before obtaining:

1186 (A) a written offer for a loan modification from the person's lender or servicer; and

1187 (B) the person's written acceptance of the offer from the lender or servicer;

1188 (v) induce a person seeking a loan modification to hire the licensee to engage in an act  
1189 of loan modification assistance by:

1190 (A) suggesting to the person that the licensee has a special relationship with the  
1191 person's lender or loan servicer; or

1192 (B) falsely representing or advertising that the licensee is acting on behalf of:

1193 (I) a government agency;

1194 (II) the person's lender or loan servicer; or

1195 (III) a nonprofit or charitable institution;

1196 (vi) recommend or participate in a loan modification that requires a person to:

1197 (A) transfer title to real property to the licensee or to a third-party with whom the  
1198 licensee has a business relationship or financial interest;

1199 (B) make a mortgage payment to a person other than the person's loan servicer; or

1200 (C) refrain from contacting the person's:

1201 (I) lender;

1202 (II) loan servicer;

1203 (III) attorney;

1204 (IV) credit counselor; or

1205 (V) housing counselor; or

1206 (vii) for an agreement for loan modification assistance entered into on or after May 11,  
1207 2010, engage in an act of loan modification assistance without offering in writing to the person  
1208 entering into the agreement for loan modification assistance a right to cancel the agreement  
1209 within three business days after the day on which the person enters the agreement.

1210 (2) Whether or not the crime is related to the business of residential mortgage loans, it  
1211 is a violation of this chapter for a licensee or a person who is a certified education provider to  
1212 do any of the following with respect to a criminal offense that involves moral turpitude:

- 1213 (a) be convicted;
- 1214 (b) plead guilty or nolo contendere;
- 1215 (c) enter a plea in abeyance; or
- 1216 (d) be subjected to a criminal disposition similar to the ones described in Subsections  
1217 (2)(a) through (c).

1218 (3) A [principal] lending manager does not violate Subsection (1)(r) if:

- 1219 (a) in contravention of the [principal] lending manager's written policies and  
1220 instructions, an affiliated licensee of the [principal] lending manager violates:
  - 1221 (i) this chapter; or
  - 1222 (ii) rules made by the division under this chapter;
- 1223 (b) the [principal] lending manager established and followed reasonable procedures to  
1224 ensure that affiliated licensees receive adequate supervision;
- 1225 (c) upon learning of a violation by an affiliated licensee, the [principal] lending  
1226 manager attempted to prevent or mitigate the damage;
- 1227 (d) the [principal] lending manager did not participate in or ratify the violation by an  
1228 affiliated licensee; and
- 1229 (e) the [principal] lending manager did not attempt to avoid learning of the violation.

1230 (4) Notwithstanding Subsection (1)(n)(iii), a licensee may, upon compliance with  
1231 Section 70D-2-305, charge a reasonable cancellation fee for work done originating a mortgage  
1232 if the mortgage is not closed.

1233 Section 18. Section **61-2c-302** is amended to read:

1234 **61-2c-302. Record requirements.**

1235 (1) For the time period specified in Subsection (2), a licensee shall make or possess any  
1236 record required for that licensee by a rule made by the division.

1237 (2) A licensee shall maintain and safeguard in its possession a record described in  
1238 Subsection (1) for four years from the last to occur of the following:

1239 (a) the final entry on a residential mortgage loan is made by that licensee;

1240 (b) if the residential mortgage loan is serviced by the licensee:

1241 (i) the residential mortgage loan is paid in full; or

1242 (ii) the licensee ceases to service the residential mortgage loan; or

1243 (c) if the residential mortgage loan is not serviced by the licensee, the residential  
1244 mortgage loan is closed.

1245 (3) A licensee shall, upon the division's request:

1246 (a) make available to the division for inspection and copying during normal business  
1247 hours all records required to be maintained under this chapter; and

1248 (b) [~~upon reasonable notice from the division to a licensee,~~] produce all records  
1249 described in Subsection (3)(a) that are related to an investigation being conducted by the  
1250 division at the division office for inspection and copying by the division.

1251 (4) A licensee who is an entity shall maintain and produce for inspection by the  
1252 division a current list of all individuals whose licenses are sponsored by the entity.

1253 (5) (a) A [~~licensee who engages in an activity as a mortgage loan originator~~] licensed  
1254 entity shall:

1255 (i) create, for each quarter of the fiscal year, a report of condition identifying all  
1256 lending activities, including all loans closed by the entity's sponsored mortgage loan originators  
1257 during the quarter;

1258 (ii) provide each quarterly report of condition to the nationwide database; and

1259 (iii) maintain [a] each report of condition submitted to the nationwide database as  
1260 required by 12 U.S.C. Sec. 5104(e) for at least four years from the day on which the licensee  
1261 submits the report of condition to the nationwide database.

1262 (b) Upon request by the division, a mortgage loan originator shall produce a report of  
1263 condition for inspection by the division.

1264 Section 19. Section **61-2c-404** is amended to read:

1265 **61-2c-404. Civil actions.**

1266 (1) (a) A person who violates this chapter is liable for an additional penalty, as  
1267 determined by the court, of at least the amount the person received in consequence of a  
1268 violation of this chapter as:

1269 (i) commission;

1270 (ii) compensation; or

1271 (iii) profit.

1272 (b) A person aggrieved by a violation of this chapter may:

1273 (i) bring an action for a penalty described in Subsection (1)(a); and

1274 (ii) use a penalty obtained under Subsection (1)(a) for the person's own use and benefit.

1275 (2) A person who is not licensed under this chapter at the time of an act or service that  
1276 requires a license under this chapter may not bring an action in court for the recovery of a  
1277 commission, fee, or compensation for that act or service.

1278 (3) (a) A mortgage loan originator may not bring an action in the mortgage loan  
1279 originator's own name for the recovery of a fee, commission, or compensation for transacting  
1280 the business of residential mortgage loans unless the action is brought against the [~~principal~~  
1281 ~~lending manager with whom~~] entity by which the mortgage loan originator is [~~licensed~~]  
1282 sponsored at the time of the act or service that is the subject of the action.

1283 (b) An action by an entity for the recovery of a fee, commission, or other compensation  
1284 shall be brought by:

1285 (i) an entity; or

1286 (ii) the principal lending manager of an entity on behalf of the entity.

1287 (4) A principal lending manager who transacts the business of residential mortgage  
1288 loans on the principal lending manager's own behalf may sue in the principal lending manager's  
1289 own name for the recovery of a fee, commission, or compensation for transacting the business

1290 of residential mortgage loans.

1291 Section 20. Section **61-2e-104** is amended to read:

1292 **61-2e-104. Exemption.**

1293 This chapter does not apply to:

1294 (1) an entity that:

1295 (a) exclusively employs an individual on an employer-employee basis for the  
1296 performance of a real estate appraisal activity in the normal course of the entity's business;  
1297 ~~and]~~

1298 (b) is responsible for ensuring that the real estate appraisal activity being performed by  
1299 an employee is performed in accordance with applicable appraisal standards; and

1300 (c) is an appraisal management company that is a subsidiary owned and controlled by a  
1301 financial institution regulated by a federal financial institution regulatory agency;

1302 (2) an individual who:

1303 (a) is an appraiser; and

1304 (b) in the normal course of business enters into an agreement, whether written or  
1305 otherwise, with another appraiser for the performance of a real estate appraisal activity that the  
1306 individual cannot complete for any reason, including:

1307 (i) competency;

1308 (ii) work load;

1309 (iii) schedule; or

1310 (iv) geographic location; or

1311 (3) an individual who:

1312 (a) in the normal course of business enters into an agreement, whether written or  
1313 otherwise, with an appraiser for the performance of a real estate appraisal activity; and

1314 (b) under the agreement, cosigns the report of the appraiser performing the real estate  
1315 appraisal activity upon the completion of the real estate appraisal activity~~[-or].~~

1316 ~~[(4) an appraisal management company that contracts with one or more appraisers for~~  
1317 ~~the performance of fewer than 10 appraisals in this state in a calendar year.]~~

1318 Section 21. Section **61-2e-201** is amended to read:

1319 **61-2e-201. Registration required -- Qualification for registration.**

1320 (1) Unless exempted under Section 61-2e-104, an appraisal management company is  
1321 required to register under this chapter if the company:

1322 (a) contracts with one or more appraisers for the performance of 10 or more appraisals  
1323 in the state in a calendar year; or

1324 (b) oversees a network or panel of more than 15 appraisers certified or licensed in the  
1325 state.

1326 [~~(1)~~] (2) Unless registered under this chapter or exempt under Section 61-2e-104, an  
1327 entity may not with regard to a real estate appraisal activity for real estate located in this state:

1328 (a) directly or indirectly engage or attempt to engage in business as an appraisal  
1329 management company;

1330 (b) directly or indirectly engage or attempt to perform an appraisal management  
1331 service; or

1332 (c) advertise or hold itself out as engaging in or conducting business as an appraisal  
1333 management company.

1334 [~~(2)~~] (3) To qualify to be registered as an appraisal management company under this  
1335 chapter:

1336 (a) each individual who owns, directly or indirectly, more than 10% of the appraisal  
1337 management company shall:

1338 (i) be of good moral character, as determined by the board; and

1339 (ii) not have had a license or certificate to engage in an act related to a real estate or  
1340 mortgage transaction refused, denied, canceled, or revoked in this state or in another state; and

1341 (b) the appraisal management company shall designate a main contact for  
1342 communication between the appraisal management company and either the board or division  
1343 who:

1344 (i) is a controlling person;

1345 (ii) is of good moral character, as determined by the board; and

1346 (iii) has not had a license or certificate to engage in an act related to a real estate or  
1347 mortgage transaction refused, denied, canceled, or revoked in this state or in another state.

1348 [~~(3)~~] (4) This section applies without regard to whether the entity uses the term:

1349 (a) "appraisal management company";

1350 (b) "mortgage technology company"; or

1351 (c) another name.

1352 Section 22. Section **61-2e-204** is amended to read:

1353 **61-2e-204. Renewal of a registration.**

1354 (1) (a) A registration under this chapter expires two years from the day on which the  
1355 registration is filed.

1356 (b) Notwithstanding Subsection (1)(a), the time period of a registration may be  
1357 extended or shortened by as much as one year to maintain or change a renewal cycle  
1358 established by rule by the division.

1359 (2) To renew a registration under this chapter, before the day on which the registration  
1360 expires, an appraisal management company shall:

1361 (a) file with the division a renewal registration application on a form prescribed by the  
1362 division; [~~and~~]

1363 (b) pay to the division a fee determined in accordance with Section 63J-1-504[-]; and

1364 (c) file with the division a certificate evidencing that the appraisal management  
1365 company has secured and will maintain a surety bond with one or more corporate sureties  
1366 authorized to do business in the state in the amount of at least \$25,000, as the division provides  
1367 by rule.

1368 (3) A renewal registration application shall include substantially similar information to  
1369 the information required under Section 61-2e-202, except that for an individual described in  
1370 Subsection 61-2e-202(2)(e) or (g), the entity is required to report whether the individual has  
1371 had:

1372 (a) (i) a conviction of a criminal offense;

1373 (ii) the entry of a plea in abeyance to a criminal offense; or

1374 (iii) the potential resolution of a criminal case by:  
1375 (A) a diversion agreement; or  
1376 (B) another agreement under which a criminal charge is held in suspense for a period  
1377 of time;

1378 (b) a filing of personal bankruptcy or bankruptcy of a business that transacts the  
1379 appraisal management services;

1380 (c) the suspension, revocation, surrender, cancellation, or denial of a professional  
1381 license or certification, whether the license or registration is issued by this state or another  
1382 jurisdiction; or

1383 (d) the entry of a cease and desist order or a temporary or permanent injunction:

1384 (i) against the individual by a court or government agency; and

1385 (ii) on the basis of:

1386 (A) conduct or a practice involving the business of appraisal management services; or

1387 (B) conduct involving fraud, misrepresentation, or deceit.

1388 (4) A registration expires if it is not renewed on or before its expiration date, except  
1389 that for a period of 30 days after the expiration date, the registration may be reinstated upon  
1390 compliance with this section, including payment of a renewal fee and a late fee determined by  
1391 the division and the board.

1392 (5) Notwithstanding Subsection (4), the division may extend the term of a license that  
1393 would expire under Subsection (4) except for the extension if:

1394 (a) (i) the person complies with the requirements of this section to renew the  
1395 registration; and

1396 (ii) the renewal application remains pending at the time of the extension; or

1397 (b) at the time of the extension, there is pending under this chapter a disciplinary  
1398 action.

1399 Section 23. Section **61-2e-307** is amended to read:

1400 **61-2e-307. Prohibited acts -- Exclusions.**

1401 (1) An appraisal management company required to be registered under this chapter and

1402 a controlling person, employee, or agent of the appraisal management company may not:

1403 (a) engage in an act of coercion, extortion, intimidation, or bribery for any purpose  
1404 related to an appraisal;

1405 (b) compensate an appraiser in a manner that the person should reasonably know  
1406 would result in the appraiser not conducting a real estate appraisal activity in a manner  
1407 consistent with applicable appraisal standards;

1408 (c) engage in the business of an appraisal management company under an assumed or  
1409 fictitious name not properly registered in the state;

1410 (d) accept a contingent fee for performing an appraisal management service if the fee is  
1411 contingent on:

1412 (i) the appraisal report having a predetermined analysis, opinion, or conclusion;

1413 (ii) the analysis, opinion, conclusion, or valuation reached in an appraisal report; or

1414 (iii) the consequences resulting from the appraisal assignment;

1415 (e) require an appraiser to indemnify the appraisal management company against  
1416 liability except liability for errors and omissions by the appraiser; or

1417 (f) alter, modify, or otherwise change a completed appraisal report submitted by an  
1418 appraiser.

1419 [(+)] (2) An appraisal management company required to be registered under this  
1420 chapter, or a controlling person, employee, or agent of the appraisal management company may  
1421 not influence or attempt to influence the development, reporting, or review of an appraisal  
1422 through:

1423 (a) coercion;

1424 (b) extortion;

1425 (c) collusion;

1426 (d) compensation;

1427 (e) instruction;

1428 (f) inducement;

1429 (g) intimidation;

- 1430 (h) bribery; or
- 1431 (i) any other manner that would constitute undue influence.
- 1432 [~~(2)~~] (3) A violation of Subsection [(1)] (2) includes doing one or more of the
- 1433 following for a purpose listed in Subsection [(1)] (2):
- 1434 (a) withholding or threatening to withhold timely payment for an appraisal;
- 1435 (b) withholding or threatening to withhold future business for an appraiser;
- 1436 (c) taking adverse action or threatening to take adverse action against an appraiser
- 1437 regarding use of the appraiser for a real estate appraisal activity;
- 1438 (d) expressly or by implication promising future business or increased compensation
- 1439 for an appraiser;
- 1440 (e) conditioning one or more of the following on the opinion, conclusion, or valuation
- 1441 to be reached, or on a preliminary estimate or opinion requested from an appraiser:
- 1442 (i) a request for a real estate appraisal activity; or
- 1443 (ii) the payment of consideration;
- 1444 (f) requesting that an appraiser provide at any time before the appraiser's completion of
- 1445 a real estate appraisal activity:
- 1446 (i) an estimated, predetermined, or desired valuation in an appraisal report; or
- 1447 (ii) an estimated value or comparable sale;
- 1448 (g) except for a copy of a sales contract for a purchase transaction, providing to an
- 1449 appraiser:
- 1450 (i) an anticipated, estimated, encouraged, or desired value for a subject property; or
- 1451 (ii) a proposed or target amount to be loaned to the borrower;
- 1452 (h) providing to an appraiser, or an individual related to the appraiser, stock or other
- 1453 financial or non-financial benefits;
- 1454 (i) allowing the removal of an appraiser from an appraiser panel, without prior written
- 1455 notice to the appraiser as required by Section 61-2e-306;
- 1456 (j) obtaining, using, or paying for a subsequent appraisal or ordering an automated
- 1457 valuation model in connection with a mortgage financing transaction unless:

1458           (i) (A) there is a reasonable basis to believe that the initial appraisal does not meet  
1459 applicable appraisal standards; and  
1460           (B) the reasonable basis is noted in the loan file; or  
1461           (ii) the subsequent appraisal or automated valuation model is done pursuant to a pre- or  
1462 post-funding appraisal review or quality control process in accordance with applicable  
1463 appraisal standards; or  
1464           ~~[(k) compensating an appraiser in a manner that the person should reasonably have~~  
1465 ~~known would result in the appraiser not conducting a real estate appraisal activity in a manner~~  
1466 ~~consistent with applicable appraisal standards;]~~  
1467           ~~[(l) engaging in the business of an appraisal management company under an assumed~~  
1468 ~~or fictitious name not properly registered in this state;]~~  
1469           ~~[(m) accepting a contingent fee for performing an appraisal management service if the~~  
1470 ~~fee is contingent on:]~~  
1471           ~~[(i) the appraiser report having a predetermined analysis, opinion, or conclusion;]~~  
1472           ~~[(ii) the analysis, opinion, conclusion, or valuation reached in an appraisal report; or]~~  
1473           ~~[(iii) the consequences resulting from the appraisal assignment; or]~~  
1474           ~~[(n)]~~ (k) engaging in any other act or practice that impairs or attempts to impair an  
1475 appraiser's independence, objectivity, or impartiality.  
1476           ~~[(3) An appraisal management company required to be registered under this chapter, or~~  
1477 ~~a controlling person, employee, or agent of the appraisal management company, may not~~  
1478 ~~require an appraiser to indemnify the appraisal management company against liability except~~  
1479 ~~liability for errors and omissions by the appraiser.]~~  
1480           (4) This section may not be construed to prohibit an appraisal management company  
1481 from requesting that an appraiser:  
1482           (a) provide additional information about the basis for a valuation; or  
1483           (b) correct an objective factual error in an appraisal report.  
1484           ~~[(5) An appraisal management company required to be registered under this chapter, or~~  
1485 ~~a controlling person, employee, or agent of the appraisal management company may not alter;~~

1486 ~~modify, or otherwise change a completed appraisal report submitted by an appraiser.]~~

1487 Section 24. Section **61-2e-401** is amended to read:

1488 **61-2e-401. Division authority -- Immunity.**

1489 (1) (a) In addition to a power or duty expressly provided in this chapter, the division  
1490 may:

1491 (i) receive and act on a complaint including:

1492 (A) taking action designed to obtain voluntary compliance with this chapter, including  
1493 the issuance of a cease and desist order if the person against whom the order is issued is given  
1494 the right to petition the board for review of the order; or

1495 (B) commencing an administrative or judicial proceeding on the division's own  
1496 initiative;

1497 (ii) investigate an entity required to be registered under this chapter, regardless of  
1498 whether the entity is located in Utah; and

1499 (iii) employ one or more investigators, clerks, or other employees or agents if:

1500 (A) approved by the executive director; and

1501 (B) within the budget of the division.

1502 (b) A failure to respond to a request by the division in an investigation under this  
1503 chapter is considered to be a separate violation of this chapter, including:

1504 (i) failing to respond to a subpoena;

1505 (ii) withholding evidence; or

1506 (iii) failing to produce a document or record.

1507 (2) (a) If a person is found to have violated this chapter or a rule made under this  
1508 chapter, the person shall pay the costs incurred by the division to copy a book, paper, contract,  
1509 document, or record required under this chapter, including the costs incurred to copy an  
1510 electronic book, paper, contract, document, or record in a universally readable format.

1511 (b) If a person fails to pay the costs described in Subsection (2)(a) when due, the  
1512 person's registration is automatically suspended:

1513 (i) beginning the day on which the payment of costs is due; and

- 1514 (ii) ending the day on which the costs are paid.
- 1515 (3) The division is immune from a civil action or criminal prosecution for initiating or  
1516 assisting in a lawful investigation of an act or participating in a disciplinary proceeding under  
1517 this chapter if the division takes the action:
- 1518 (a) without malicious intent; and
- 1519 (b) in the reasonable belief that the action is taken pursuant to the powers and duties  
1520 vested in the division under this chapter.
- 1521 Section 25. Section **61-2f-102** is amended to read:
- 1522 **61-2f-102. Definitions.**
- 1523 As used in this chapter:
- 1524 (1) "Associate broker" means an individual who is:
- 1525 (a) employed or engaged as an independent contractor by or on behalf of a principal  
1526 broker to perform an act set out in Subsection (18) for valuable consideration; and
- 1527 (b) licensed under this chapter as an associate broker.
- 1528 (2) "Branch office" means a principal broker's real estate brokerage office that is not  
1529 the principal broker's main office.
- 1530 (3) "Business day" means a day other than:
- 1531 (a) a Saturday;
- 1532 (b) a Sunday; or
- 1533 (c) a federal or state holiday.
- 1534 (4) "Business opportunity" means the sale, lease, or exchange of any business that  
1535 includes an interest in real estate.
- 1536 (5) "Commission" means the Real Estate Commission established under this chapter.
- 1537 (6) "Concurrence" means the entities given a concurring role must jointly agree for  
1538 action to be taken.
- 1539 (7) "Condominium unit" is as defined in Section 57-8-3.
- 1540 (8) "Condominium homeowners' association" means the condominium unit owners  
1541 acting as a group in accordance with declarations and bylaws.

1542 (9) (a) "Condominium hotel" means one or more condominium units that are operated  
1543 as a hotel.

1544 (b) "Condominium hotel" does not mean a hotel consisting of condominium units, all  
1545 of which are owned by a single entity.

1546 (10) "Director" means the director of the Division of Real Estate.

1547 (11) "Division" means the Division of Real Estate.

1548 (12) "Entity" means:

1549 (a) a corporation;

1550 (b) a partnership;

1551 (c) a limited liability company;

1552 (d) a company;

1553 (e) an association;

1554 (f) a joint venture;

1555 (g) a business trust;

1556 (h) a trust; or

1557 (i) any organization similar to an entity described in Subsections (12)(a) through (h).

1558 (13) "Executive director" means the director of the Department of Commerce.

1559 (14) "Foreclosure rescue" means, for compensation or with the expectation of receiving  
1560 valuable consideration, to:

1561 (a) engage, or offer to engage, in an act that:

1562 (i) the person represents will assist a borrower in preventing a foreclosure; and

1563 (ii) relates to a transaction involving the transfer of title to residential real property; or

1564 (b) as an employee or agent of another person:

1565 (i) solicit, or offer that the other person will engage in an act described in Subsection  
1566 (14)(a); or

1567 (ii) negotiate terms in relationship to an act described in Subsection (14)(a).

1568 (15) "Loan modification assistance" means, for compensation or with the expectation  
1569 of receiving valuable consideration, to:

- 1570 (a) act, or offer to act, on behalf of a person to:
- 1571 (i) obtain a loan term of a residential mortgage loan that is different from an existing
- 1572 loan term including:
- 1573 (A) an increase or decrease in an interest rate;
- 1574 (B) a change to the type of interest rate;
- 1575 (C) an increase or decrease in the principal amount of the residential mortgage loan;
- 1576 (D) a change in the number of required period payments;
- 1577 (E) an addition of collateral;
- 1578 (F) a change to, or addition of, a prepayment penalty;
- 1579 (G) an addition of a cosigner; or
- 1580 (H) a change in persons obligated under the existing residential mortgage loan; or
- 1581 (ii) substitute a new residential mortgage loan for an existing residential mortgage loan;
- 1582 or
- 1583 (b) as an employee or agent of another person:
- 1584 (i) solicit, or offer that the other person will engage in an act described in Subsection
- 1585 (15)(a); or
- 1586 (ii) negotiate terms in relationship to an act described in Subsection (15)(a).
- 1587 (16) "Main office" means the address which a principal broker designates with the
- 1588 division as the principal broker's primary brokerage office.
- 1589 (17) "Person" means an individual or entity.
- 1590 (18) "Principal broker" means an individual who is licensed as a principal broker under
- 1591 this chapter and who:
- 1592 (a) (i) sells or lists for sale real estate, including real estate being sold as part of a
- 1593 foreclosure rescue, or a business opportunity [~~for sale~~] with the expectation of receiving
- 1594 valuable consideration;
- 1595 (ii) buys, exchanges, or auctions real estate, an option on real estate, a business
- 1596 opportunity, or an improvement on real estate with the expectation of receiving valuable
- 1597 consideration; or

1598 (iii) advertises, offers, attempts, or otherwise holds the individual out to be engaged in  
1599 the business described in Subsection (18)(a)(i) or (ii);

1600 (b) is employed by or on behalf of the owner of real estate or by a prospective  
1601 purchaser of real estate and performs an act described in Subsection (18)(a), whether the  
1602 individual's compensation is at a stated salary, a commission basis, upon a salary and  
1603 commission basis, or otherwise;

1604 (c) (i) with the expectation of receiving valuable consideration, manages property  
1605 owned by another person; or

1606 (ii) advertises or otherwise holds the individual out to be engaged in property  
1607 management;

1608 (d) with the expectation of receiving valuable consideration, assists or directs in the  
1609 procurement of prospects for or the negotiation of a transaction listed in Subsections (18)(a)  
1610 and (c);

1611 (e) except for a mortgage lender, title insurance producer, or an employee of a  
1612 mortgage lender or title insurance producer, assists or directs in the closing of a real estate  
1613 transaction with the expectation of receiving valuable consideration; or

1614 (f) (i) engages in foreclosure rescue; or

1615 (ii) advertises, offers, attempts, or otherwise holds the person out as being engaged in  
1616 foreclosure rescue.

1617 (19) (a) "Property management" means engaging in, with the expectation of receiving  
1618 valuable consideration, the management of real estate owned by another person or advertising  
1619 or otherwise claiming to be engaged in property management by:

1620 (i) advertising for, arranging, negotiating, offering, or otherwise attempting or  
1621 participating in a transaction calculated to secure the rental or leasing of real estate;

1622 (ii) collecting, agreeing, offering, or otherwise attempting to collect rent for the real  
1623 estate and accounting for and disbursing the money collected; or

1624 (iii) authorizing expenditures for repairs to the real estate.

1625 (b) "Property management" does not include:

- 1626 (i) hotel or motel management;
- 1627 (ii) rental of tourist accommodations, including hotels, motels, tourist homes,
- 1628 condominiums, condominium hotels, mobile home park accommodations, campgrounds, or
- 1629 similar public accommodations for a period of less than 30 consecutive days, and the
- 1630 management activities associated with these rentals; or
- 1631 (iii) the leasing or management of surface or subsurface minerals or oil and gas
- 1632 interests, if the leasing or management is separate from a sale or lease of the surface estate.
- 1633 (20) "Real estate" includes leaseholds and business opportunities involving real
- 1634 property.
- 1635 (21) (a) "Regular salaried employee" means an individual who performs a service for
- 1636 wages or other remuneration, whose employer withholds federal employment taxes under a
- 1637 contract of hire, written or oral, express or implied.
- 1638 (b) "Regular salaried employee" does not include an individual who performs services
- 1639 on a project-by-project basis or on a commission basis.
- 1640 (22) "Reinstatement" means restoring a license that has expired or has been suspended.
- 1641 (23) "Reissuance" means the process by which a licensee may obtain a license
- 1642 following revocation of the license.
- 1643 (24) "Renewal" means extending a license for an additional licensing period on or
- 1644 before the date the license expires.
- 1645 (25) "Sales agent" means an individual who is:
- 1646 (a) affiliated with a principal broker, either as an independent contractor or an
- 1647 employee as provided in Section 61-2f-303, to perform for valuable consideration an act
- 1648 described in Subsection (18); and
- 1649 (b) licensed under this chapter as a sales agent.
- 1650 (26) (a) "Undivided fractionalized long-term estate" means an ownership interest in
- 1651 real property by two or more persons that is:
- 1652 (i) a tenancy in common; or
- 1653 (ii) any other legal form of undivided estate in real property including:

1654 (A) a fee estate;

1655 (B) a life estate; or

1656 (C) other long-term estate.

1657 (b) "Undivided fractionalized long-term estate" does not include a joint tenancy.

1658 Section 26. Section **61-2f-203** is amended to read:

1659 **61-2f-203. Licensing requirements.**

1660 (1) (a) (i) The division shall determine whether an applicant with a criminal history  
1661 qualifies for licensure.

1662 (ii) If the division, acting under Subsection (1)(a)(i), denies or restricts a license or  
1663 places a license on probation, the applicant may petition the commission for de novo review of  
1664 the application.

1665 [~~(1)~~ (a)] (b) Except as provided in Subsection (5), the commission shall determine [the]  
1666 all other qualifications and requirements of an applicant for:

1667 (i) a principal broker license;

1668 (ii) an associate broker license; or

1669 (iii) a sales agent license.

1670 [~~(b)~~] (c) The division, with the concurrence of the commission, shall require and pass  
1671 upon proof necessary to determine the honesty, integrity, truthfulness, reputation, and  
1672 competency of each applicant for an initial license or for renewal of an existing license.

1673 [~~(c)~~] (d) (i) The division, with the concurrence of the commission, shall require an  
1674 applicant for:

1675 (A) a sales agent license to complete an approved educational program consisting of  
1676 the number of hours designated by rule made by the commission with the concurrence of the  
1677 division, except that the rule may not require less than 120 hours; and

1678 (B) an associate broker or a principal broker license to complete an approved  
1679 educational program consisting of the number of hours designated by rule made by the  
1680 commission with the concurrence of the division, except that the rule may not require less than  
1681 120 hours.

1682 (ii) An hour required by this section means 50 minutes of instruction in each 60  
1683 minutes.

1684 (iii) The maximum number of program hours available to an individual is eight hours  
1685 per day.

1686 [~~(d)~~] (e) The division, with the concurrence of the commission, shall require the  
1687 applicant to pass an examination approved by the commission covering:

1688 (i) the fundamentals of:

1689 (A) the English language;

1690 (B) arithmetic;

1691 (C) bookkeeping; and

1692 (D) real estate principles and practices;

1693 (ii) this chapter;

1694 (iii) the rules established by the commission; and

1695 (iv) any other aspect of Utah real estate license law considered appropriate.

1696 [~~(e)~~] (f) (i) Three years' full-time experience as a sales agent or its equivalent is  
1697 required before an applicant may apply for, and secure a principal broker or associate broker  
1698 license in this state.

1699 (ii) The commission shall establish by rule, made in accordance with Title 63G,  
1700 Chapter 3, Utah Administrative Rulemaking Act, the criteria by which the commission will  
1701 accept experience or special education in similar fields of business in lieu of the three years'  
1702 experience.

1703 (2) (a) The division, with the concurrence of the commission, may require an applicant  
1704 to furnish a sworn statement setting forth evidence satisfactory to the division of the applicant's  
1705 reputation and competency as set forth by rule.

1706 (b) The division shall require an applicant to provide the applicant's Social Security  
1707 number, which is a private record under Subsection 63G-2-302(1)(h).

1708 (3) (a) An individual who is not a resident of this state may be licensed in this state if  
1709 the person complies with this chapter.

1710 (b) An individual who is not a resident of this state may be licensed as an associate  
1711 broker or sales agent in this state by:

1712 (i) complying with this chapter; and

1713 (ii) being employed or engaged as an independent contractor by or on behalf of a  
1714 principal broker who is licensed in this state, regardless of whether the principal broker is a  
1715 resident of this state.

1716 (4) (a) The division and commission shall treat an application to be relicensed of an  
1717 applicant whose real estate license is revoked as an original application.

1718 (b) In the case of an applicant for a new license as a principal broker or associate  
1719 broker, the applicant is not entitled to credit for experience gained before the revocation of a  
1720 real estate license.

1721 (5) (a) Notwithstanding Subsection (1)(b), the commission may delegate to the division  
1722 the authority to:

1723 (i) review a class or category of applications for initial or renewed licenses;

1724 (ii) determine whether an applicant meets the licensing criteria in Subsection (1); and

1725 (iii) approve or deny a license application without concurrence by the commission.

1726 (b) (i) If the commission delegates to the division the authority to approve or deny an  
1727 application without concurrence by the commission and the division denies an application for  
1728 licensure, the applicant who is denied licensure may petition the commission for de novo  
1729 review of the application.

1730 (ii) An applicant who is denied licensure pursuant to this Subsection (5) may seek  
1731 agency review by the executive director only after the commission has reviewed the division's  
1732 denial of the applicant's application.

1733 Section 27. Section **61-2f-301** is amended to read:

1734 **61-2f-301. Reporting requirements.**

1735 (1) A licensee shall notify the division of the following by sending the division a  
1736 signed statement within 10 business days of:

1737 (a) ~~(i)~~ a conviction of, or the entry of a plea in abeyance to:

1738 (i) a felony~~[, class A misdemeanor, or class B misdemeanor]~~; or  
1739 (ii) a misdemeanor involving financial services or a financial services-related business,  
1740 fraud, a false statement or omission, theft or wrongful taking of property, bribery, perjury,  
1741 forgery, counterfeiting, or extortion;  
1742 ~~[(ii) the entry of a plea in abeyance to a felony, class A misdemeanor, or class B~~  
1743 ~~misdemeanor; or]~~  
1744 ~~[(iii)]~~ (b) the potential resolution of a felony~~[, class A]~~ or of a misdemeanor~~[, or class B~~  
1745 ~~misdemeanor]~~ described in Subsection (1)(a)(ii) by:  
1746 ~~[(A)]~~ (i) a diversion agreement; or  
1747 ~~[(B)]~~ (ii) another agreement under which a criminal charge is held in suspense for a  
1748 period of time;  
1749 ~~[(b)]~~ (c) the filing of a personal or brokerage bankruptcy, if the licensee is a principal  
1750 broker;  
1751 ~~[(c)]~~ (d) the suspension, revocation, surrender, cancellation, or denial of a license or  
1752 registration of the licensee that is necessary to engage in an occupation or profession,  
1753 regardless of whether the license or registration is issued by this state or another jurisdiction; or  
1754 ~~[(d)]~~ (e) the entry of a cease and desist order or a temporary or permanent injunction:  
1755 (i) against the licensee by a court or administrative agency; and  
1756 (ii) on the basis of:  
1757 (A) conduct or a practice involving the business of real estate; or  
1758 (B) conduct involving fraud, misrepresentation, or deceit.  
1759 (2) The commission, with the concurrence of the director, shall enforce the reporting  
1760 requirement under this section pursuant to Section 61-2f-404.  
1761 Section 28. Section **61-2f-401 (Superseded 07/01/12)** is amended to read:  
1762 **61-2f-401 (Superseded 07/01/12). Grounds for disciplinary action.**  
1763 The following acts are unlawful for a person licensed or required to be licensed under  
1764 this chapter:  
1765 (1) (a) making a substantial misrepresentation;

- 1766 (b) making an intentional misrepresentation;
- 1767 (c) pursuing a continued and flagrant course of misrepresentation;
- 1768 (d) making a false representation or promise through an agent, sales agent, advertising,
- 1769 or otherwise; or
- 1770 (e) making a false representation or promise of a character likely to influence,
- 1771 persuade, or induce;
- 1772 (2) acting for more than one party in a transaction without the informed consent of the
- 1773 parties;
- 1774 (3) (a) acting as an associate broker or sales agent while not affiliated with a principal
- 1775 broker;
- 1776 (b) representing or attempting to represent a principal broker other than the principal
- 1777 broker with whom the person is affiliated; or
- 1778 (c) representing as sales agent or having a contractual relationship similar to that of
- 1779 sales agent with a person other than a principal broker;
- 1780 (4) (a) failing, within a reasonable time, to account for or to remit money that belongs
- 1781 to another and comes into the person's possession;
- 1782 (b) commingling money described in Subsection (4)(a) with the person's own money;
- 1783 or
- 1784 (c) diverting money described in Subsection (4)(a) from the purpose for which the
- 1785 money is received;
- 1786 (5) paying or offering to pay valuable consideration, as defined by the commission, to a
- 1787 person not licensed under this chapter, except that valuable consideration may be shared:
- 1788 (a) with a principal broker of another jurisdiction; or
- 1789 (b) as provided under:
- 1790 (i) Title 16, Chapter 10a, Utah Revised Business Corporation Act;
- 1791 (ii) Title 16, Chapter 11, Professional Corporation Act; or
- 1792 (iii) Title 48, Chapter 2c, Utah Revised Limited Liability Company Act;
- 1793 (6) being incompetent to act as a principal broker, associate broker, or sales agent in

- 1794 such manner as to safeguard the interests of the public;
- 1795           (7) failing to voluntarily furnish a copy of a document to the parties before and after the  
1796 execution of a document;
- 1797           (8) failing to keep and make available for inspection by the division a record of each  
1798 transaction, including:
- 1799           (a) the names of buyers and sellers or lessees and lessors;
- 1800           (b) the identification of real estate;
- 1801           (c) the sale or rental price;
- 1802           (d) money received in trust;
- 1803           (e) agreements or instructions from buyers and sellers or lessees and lessors; and
- 1804           (f) any other information required by rule;
- 1805           (9) failing to disclose, in writing, in the purchase, sale, or rental of real estate, whether  
1806 the purchase, sale, or rental is made for that person or for an undisclosed principal;
- 1807           (10) being convicted of a criminal offense involving moral turpitude within five years  
1808 of the most recent application:
- 1809           (a) regardless of whether the criminal offense is related to real estate; and
- 1810           (b) including:
- 1811           (i) a conviction based upon a plea of nolo contendere; or
- 1812           (ii) a plea held in abeyance to a criminal offense involving moral turpitude;
- 1813           (11) advertising the availability of real estate or the services of a licensee in a false,  
1814 misleading, or deceptive manner;
- 1815           (12) in the case of a principal broker or a licensee who is a branch manager, failing to  
1816 exercise reasonable supervision over the activities of the principal broker's or branch manager's  
1817 licensed or unlicensed staff;
- 1818           (13) violating or disregarding:
- 1819           (a) this chapter;
- 1820           (b) an order of the commission; or
- 1821           (c) the rules adopted by the commission and the division;

- 1822           (14) breaching a fiduciary duty owed by a licensee to the licensee's principal in a real  
1823 estate transaction;
- 1824           (15) any other conduct which constitutes dishonest dealing;
- 1825           (16) unprofessional conduct as defined by statute or rule;
- 1826           (17) having one of the following suspended, revoked, surrendered, or cancelled on the  
1827 basis of misconduct in a professional capacity that relates to character, honesty, integrity, or  
1828 truthfulness:
- 1829           (a) a real estate license, registration, or certificate issued by another jurisdiction; or  
1830           (b) another license, registration, or certificate to engage in an occupation or profession  
1831 issued by this state or another jurisdiction;
- 1832           (18) failing to respond to a request by the division in an investigation authorized under  
1833 this chapter, including:
- 1834           (a) failing to respond to a subpoena;
- 1835           (b) withholding evidence; or
- 1836           (c) failing to produce documents or records;
- 1837           (19) in the case of a dual licensed title licensee as defined in Section 31A-2-402:
- 1838           (a) providing a title insurance product or service without the approval required by  
1839 Section 31A-2-405; or
- 1840           (b) knowingly providing false or misleading information in the statement required by  
1841 Subsection 31A-2-405(2);
- 1842           (20) violating an independent contractor agreement between a principal broker and a  
1843 sales agent or associate broker as evidenced by a final judgment of a court; or
- 1844           ~~[(21) (a) engaging in a foreclosure rescue if not licensed under this chapter;]~~
- 1845           ~~[(b)]~~ (21) (a) engaging in an act of loan modification assistance that requires licensure  
1846 as a mortgage officer under Chapter 2c, Utah Residential Mortgage Practices and Licensing  
1847 Act, without being licensed under that chapter;
- 1848           ~~[(c)]~~ (b) engaging in an act of foreclosure rescue without entering into a written  
1849 agreement specifying what one or more acts of foreclosure rescue will be completed;

1850 ~~[(d) requesting or requiring a person to pay a fee for a foreclosure rescue service before~~  
1851 ~~obtaining a written agreement:]~~

1852 ~~[(i) between the person and the person's lender or servicer; and]~~

1853 ~~[(ii) by which title to the residential real estate at risk of foreclosure will be~~  
1854 ~~transferred;]~~

1855 ~~[(e)]~~ (c) inducing a person who is at risk of foreclosure to hire the licensee to engage in  
1856 an act of foreclosure rescue by:

1857 (i) suggesting to the person that the licensee has a special relationship with the person's  
1858 lender or loan servicer; or

1859 (ii) falsely representing or advertising that the licensee is acting on behalf of:

1860 (A) a government agency;

1861 (B) the person's lender or loan servicer; or

1862 (C) a nonprofit or charitable institution; or

1863 ~~[(f)]~~ (d) recommending or participating in a foreclosure rescue that requires a person  
1864 to:

1865 (i) transfer title to real estate to the licensee or to a third-party with whom the licensee  
1866 has a business relationship or financial interest;

1867 (ii) make a mortgage payment to a person other than the person's loan servicer; or

1868 (iii) refrain from contacting the person's:

1869 (A) lender;

1870 (B) loan servicer;

1871 (C) attorney;

1872 (D) credit counselor; or

1873 (E) housing counselor~~[-or]~~.

1874 ~~[(22) for an agreement for foreclosure rescue entered into on or after May 11, 2010;~~

1875 ~~engaging in an act of foreclosure rescue without offering in writing to the person entering into~~

1876 ~~the agreement for foreclosure rescue a right to cancel the agreement within three business days~~

1877 ~~after the day on which the person enters the agreement.]~~

1878 Section 29. Section **61-2f-401 (Effective 07/01/12)** is amended to read:

1879 **61-2f-401 (Effective 07/01/12). Grounds for disciplinary action.**

1880 The following acts are unlawful for a person licensed or required to be licensed under  
1881 this chapter:

1882 (1) (a) making a substantial misrepresentation;

1883 (b) making an intentional misrepresentation;

1884 (c) pursuing a continued and flagrant course of misrepresentation;

1885 (d) making a false representation or promise through an agent, sales agent, advertising,  
1886 or otherwise; or

1887 (e) making a false representation or promise of a character likely to influence,  
1888 persuade, or induce;

1889 (2) acting for more than one party in a transaction without the informed consent of the  
1890 parties;

1891 (3) (a) acting as an associate broker or sales agent while not affiliated with a principal  
1892 broker;

1893 (b) representing or attempting to represent a principal broker other than the principal  
1894 broker with whom the person is affiliated; or

1895 (c) representing as sales agent or having a contractual relationship similar to that of  
1896 sales agent with a person other than a principal broker;

1897 (4) (a) failing, within a reasonable time, to account for or to remit money that belongs  
1898 to another and comes into the person's possession;

1899 (b) commingling money described in Subsection (4)(a) with the person's own money;  
1900 or

1901 (c) diverting money described in Subsection (4)(a) from the purpose for which the  
1902 money is received;

1903 (5) paying or offering to pay valuable consideration, as defined by the commission, to a  
1904 person not licensed under this chapter, except that valuable consideration may be shared:

1905 (a) with a principal broker of another jurisdiction; or

- 1906 (b) as provided under:
- 1907 (i) Title 16, Chapter 10a, Utah Revised Business Corporation Act;
- 1908 (ii) Title 16, Chapter 11, Professional Corporation Act; or
- 1909 (iii) Title 48, Chapter 3, Utah Revised Uniform Limited Liability Company Act;
- 1910 (6) being incompetent to act as a principal broker, associate broker, or sales agent in
- 1911 such manner as to safeguard the interests of the public;
- 1912 (7) failing to voluntarily furnish a copy of a document to the parties before and after the
- 1913 execution of a document;
- 1914 (8) failing to keep and make available for inspection by the division a record of each
- 1915 transaction, including:
- 1916 (a) the names of buyers and sellers or lessees and lessors;
- 1917 (b) the identification of real estate;
- 1918 (c) the sale or rental price;
- 1919 (d) money received in trust;
- 1920 (e) agreements or instructions from buyers and sellers or lessees and lessors; and
- 1921 (f) any other information required by rule;
- 1922 (9) failing to disclose, in writing, in the purchase, sale, or rental of real estate, whether
- 1923 the purchase, sale, or rental is made for that person or for an undisclosed principal;
- 1924 (10) being convicted of a criminal offense involving moral turpitude within five years
- 1925 of the most recent application:
- 1926 (a) regardless of whether the criminal offense is related to real estate; and
- 1927 (b) including:
- 1928 (i) a conviction based upon a plea of nolo contendere; or
- 1929 (ii) a plea held in abeyance to a criminal offense involving moral turpitude;
- 1930 (11) advertising the availability of real estate or the services of a licensee in a false,
- 1931 misleading, or deceptive manner;
- 1932 (12) in the case of a principal broker or a licensee who is a branch manager, failing to
- 1933 exercise reasonable supervision over the activities of the principal broker's or branch manager's

- 1934 licensed or unlicensed staff;
- 1935 (13) violating or disregarding:
- 1936 (a) this chapter;
- 1937 (b) an order of the commission; or
- 1938 (c) the rules adopted by the commission and the division;
- 1939 (14) breaching a fiduciary duty owed by a licensee to the licensee's principal in a real
- 1940 estate transaction;
- 1941 (15) any other conduct which constitutes dishonest dealing;
- 1942 (16) unprofessional conduct as defined by statute or rule;
- 1943 (17) having one of the following suspended, revoked, surrendered, or cancelled on the
- 1944 basis of misconduct in a professional capacity that relates to character, honesty, integrity, or
- 1945 truthfulness:
- 1946 (a) a real estate license, registration, or certificate issued by another jurisdiction; or
- 1947 (b) another license, registration, or certificate to engage in an occupation or profession
- 1948 issued by this state or another jurisdiction;
- 1949 (18) failing to respond to a request by the division in an investigation authorized under
- 1950 this chapter, including:
- 1951 (a) failing to respond to a subpoena;
- 1952 (b) withholding evidence; or
- 1953 (c) failing to produce documents or records;
- 1954 (19) in the case of a dual licensed title licensee as defined in Section 31A-2-402:
- 1955 (a) providing a title insurance product or service without the approval required by
- 1956 Section 31A-2-405; or
- 1957 (b) knowingly providing false or misleading information in the statement required by
- 1958 Subsection 31A-2-405(2);
- 1959 (20) violating an independent contractor agreement between a principal broker and a
- 1960 sales agent or associate broker as evidenced by a final judgment of a court; or
- 1961 [~~(21) (a) engaging in a foreclosure rescue if not licensed under this chapter;~~]

1962           ~~[(b)]~~ (21) (a) engaging in an act of loan modification assistance that requires licensure  
1963 as a mortgage officer under Chapter 2c, Utah Residential Mortgage Practices and Licensing  
1964 Act, without being licensed under that chapter;

1965           ~~[(c)]~~ (b) engaging in an act of foreclosure rescue without entering into a written  
1966 agreement specifying what one or more acts of foreclosure rescue will be completed;

1967           ~~[(d) requesting or requiring a person to pay a fee for a foreclosure rescue service before~~  
1968 ~~obtaining a written agreement:]~~

1969           ~~[(i) between the person and the person's lender or servicer; and]~~

1970           ~~[(ii) by which title to the residential real estate at risk of foreclosure will be~~  
1971 ~~transferred;]~~

1972           ~~[(e)]~~ (c) inducing a person who is at risk of foreclosure to hire the licensee to engage in  
1973 an act of foreclosure rescue by:

1974           (i) suggesting to the person that the licensee has a special relationship with the person's  
1975 lender or loan servicer; or

1976           (ii) falsely representing or advertising that the licensee is acting on behalf of:

1977           (A) a government agency;

1978           (B) the person's lender or loan servicer; or

1979           (C) a nonprofit or charitable institution; or

1980           ~~[(f)]~~ (d) recommending or participating in a foreclosure rescue that requires a person  
1981 to:

1982           (i) transfer title to real estate to the licensee or to a third-party with whom the licensee  
1983 has a business relationship or financial interest;

1984           (ii) make a mortgage payment to a person other than the person's loan servicer; or

1985           (iii) refrain from contacting the person's:

1986           (A) lender;

1987           (B) loan servicer;

1988           (C) attorney;

1989           (D) credit counselor; or

1990 (E) housing counselor[; or].  
1991 [~~(22) for an agreement for foreclosure rescue entered into on or after May 11, 2010,~~  
1992 ~~engaging in an act of foreclosure rescue without offering in writing to the person entering into~~  
1993 ~~the agreement for foreclosure rescue a right to cancel the agreement within three business days~~  
1994 ~~after the day on which the person enters the agreement.]~~

1995 Section 30. Section **61-2g-102** is amended to read:

1996 **61-2g-102. Definitions.**

1997 (1) As used in this chapter:

1998 (a) (i) "Appraisal" means an [~~unbiased~~] analysis, opinion, or conclusion relating to the  
1999 nature, quality, value, or utility of a specified interest in, or aspect of, identified real estate or  
2000 identified real property.

2001 (ii) An appraisal is classified by the nature of the assignment as a valuation appraisal,  
2002 an analysis assignment, or a review assignment in accordance with the following definitions:

2003 (A) "Analysis assignment" means an unbiased analysis, opinion, or conclusion that  
2004 relates to the nature, quality, or utility of identified real estate or identified real property.

2005 (B) "Review assignment" means an unbiased analysis, opinion, or conclusion that  
2006 forms an opinion as to the adequacy and appropriateness of a valuation appraisal or an analysis  
2007 assignment.

2008 (C) "Valuation appraisal" means an unbiased analysis, opinion, or conclusion that  
2009 estimates the value of an identified parcel of real estate or identified real property at a particular  
2010 point in time.

2011 (b) "Appraisal Foundation" means the Appraisal Foundation that was incorporated as  
2012 an Illinois not-for-profit corporation on November 30, 1987.

2013 (c) (i) "Appraisal report" means a communication, written or oral, of an appraisal.

2014 (ii) An appraisal report is classified by the nature of the assignment as a valuation  
2015 report, analysis report, or review report in accordance with the definitions provided in  
2016 Subsection (1)(a)(ii).

2017 (iii) The testimony of a person relating to the person's analyses, conclusions, or

2018 opinions concerning identified real estate or identified real property is considered to be an oral  
2019 appraisal report.

2020 (d) "Appraisal Qualification Board" means the Appraisal Qualification Board of the  
2021 Appraisal Foundation.

2022 (e) "Board" means the Real Estate Appraiser Licensing and Certification Board that is  
2023 established in Section 61-2g-204.

2024 (f) "Certified appraisal report" means a written or oral appraisal report that is certified  
2025 by a state-certified general appraiser or state-certified residential appraiser.

2026 (g) "Concurrence" means that the entities that are given a concurring role jointly agree  
2027 to an action.

2028 (h) (i) (A) "Consultation service" means an engagement to provide a real estate  
2029 valuation service analysis, opinion, conclusion, or other service that does not fall within the  
2030 definition of appraisal.

2031 (B) "Consultation service" does not mean a valuation appraisal, analysis assignment, or  
2032 review assignment.

2033 (ii) Regardless of the intention of the client or employer, if a person prepares an  
2034 unbiased analysis, opinion, or conclusion, the analysis, opinion, or conclusion is considered to  
2035 be an appraisal and not a consultation service.

2036 (i) "Contingent fee" means a fee or other form of compensation, payment of which is  
2037 dependent on or conditioned by:

2038 (i) the reporting of a predetermined analysis, opinion, or conclusion by the person  
2039 performing the analysis, opinion, or conclusion; or

2040 (ii) achieving a result specified by the person requesting the analysis, opinion, or  
2041 conclusion.

2042 (j) "Division" means the Division of Real Estate of the Department of Commerce.

2043 (k) "Federally related transaction" means a real estate related transaction that is  
2044 required by federal law or by federal regulation to be supported by an appraisal prepared by:

2045 (i) a state-licensed appraiser; or

- 2046 (ii) a state-certified appraiser.
- 2047 (l) "Real estate" means an identified parcel or tract of land including improvements if
- 2048 any.
- 2049 (m) "Real estate appraisal activity" means the act or process of making an appraisal of
- 2050 real estate or real property and preparing an appraisal report.
- 2051 (n) "Real estate related transaction" means:
- 2052 (i) the sale, lease, purchase, investment in, or exchange of real property or an interest in
- 2053 real property, or the financing of such a transaction;
- 2054 (ii) the refinancing of real property or an interest in real property; or
- 2055 (iii) the use of real property or an interest in real property as security for a loan or
- 2056 investment, including mortgage-backed securities.
- 2057 (o) "Real property" means one or more defined interests, benefits, or rights inherent in
- 2058 the ownership of real estate.
- 2059 (p) "State-certified general appraiser" means a person who holds a current, valid
- 2060 certification as a state-certified general appraiser issued under this chapter.
- 2061 (q) "State-certified residential appraiser" means a person who holds a current, valid
- 2062 certification as a state-certified residential real estate appraiser issued under this chapter.
- 2063 (r) "State-licensed appraiser" means a person who holds a current, valid license as a
- 2064 state-licensed appraiser issued under this chapter.
- 2065 (s) "Trainee" means an individual who:
- 2066 (i) does not hold an appraiser license or appraiser certification issued under this
- 2067 chapter;
- 2068 (ii) works under the direct supervision of a state-certified appraiser to earn experience
- 2069 for licensure; and
- 2070 (iii) is registered as a trainee under this chapter.
- 2071 (t) "Unbiased analysis, opinion, or conclusion" means an analysis, opinion, or
- 2072 conclusion relating to the nature, quality, value, or utility of identified real estate or identified
- 2073 real property that is prepared by a person who is employed or retained to act, or would be

2074 perceived by third parties or the public as acting, as a disinterested third-party in rendering the  
2075 analysis, opinion, or conclusion.

2076 (2) (a) If a term not defined in this section is defined by rule, the term shall have the  
2077 meaning established by the division by rule made in accordance with Title 63G, Chapter 3,  
2078 Utah Administrative Rulemaking Act.

2079 (b) If a term not defined in this section is not defined by rule, the term shall have the  
2080 meaning commonly accepted in the business community.

2081 Section 31. Section **61-2g-103 (Superseded 07/01/12)** is amended to read:

2082 **61-2g-103 (Superseded 07/01/12). Other law unaffected.**

2083 This chapter may not be considered to prohibit a person [~~approved,~~] licensed, certified,  
2084 or registered under this chapter from engaging in the practice of real estate appraising as a  
2085 professional corporation or a limited liability company in accordance with:

2086 (1) Title 16, Chapter 11, Professional Corporation Act; or

2087 (2) Title 48, Chapter 2c, Utah Revised Limited Liability Company Act.

2088 Section 32. Section **61-2g-103 (Effective 07/01/12)** is amended to read:

2089 **61-2g-103 (Effective 07/01/12). Other law unaffected.**

2090 This chapter may not be considered to prohibit a person [~~approved,~~] licensed, certified,  
2091 or registered under this chapter from engaging in the practice of real estate appraising as a  
2092 professional corporation or a limited liability company in accordance with:

2093 (1) Title 16, Chapter 11, Professional Corporation Act; or

2094 (2) Title 48, Chapter 3, Utah Revised Uniform Limited Liability Company Act.

2095 Section 33. Section **61-2g-201** is amended to read:

2096 **61-2g-201. Duties and powers of division in general.**

2097 (1) The division shall administer and enforce this chapter.

2098 (2) The division has the following powers and duties:

2099 (a) The division shall:

2100 (i) receive an application for licensing, certification, or registration;

2101 (ii) establish appropriate administrative procedures for the processing of an application

2102 for licensure, certification, or registration;

2103 (iii) issue a license or certification to a qualified applicant pursuant to this chapter; and

2104 (iv) register an individual who applies and qualifies for registration as a trainee under

2105 this chapter.

2106 (b) The division shall hold public hearings under the direction of the board.

2107 (c) The division may:

2108 (i) solicit bids and enter into contracts with one or more educational testing services or

2109 organizations for the preparation of a bank of questions and answers; and

2110 (ii) administer or contract for the administration of licensing and certification

2111 examinations as may be required to carry out the division's responsibilities under this chapter.

2112 (d) The division shall provide administrative assistance to the board by providing to the

2113 board the facilities, equipment, supplies, and personnel that are required to enable the board to

2114 carry out the board's responsibilities under this chapter.

2115 (e) The division shall assist the board in improving the quality of the continuing

2116 education available to a person licensed, certified, or registered under this chapter.

2117 (f) The division shall assist the board with respect to the proper interpretation or

2118 explanation of the Uniform Standards of Professional Appraisal Practice as required by Section

2119 61-2g-403 when an interpretation or explanation becomes necessary in the enforcement of this

2120 chapter.

2121 (g) The division may:

2122 (i) promote research and conduct studies relating to the profession of real estate

2123 appraising; and

2124 (ii) sponsor real estate appraisal educational activities.

2125 (h) The division shall adopt, with the concurrence of the board, rules for the

2126 administration of this chapter pursuant to Title 63G, Chapter 3, Utah Administrative

2127 Rulemaking Act, that are not inconsistent with this chapter or the constitution and laws of this

2128 state or of the United States.

2129 (i) The division shall employ an appropriate staff to investigate allegations that a

2130 person required to be licensed, certified, or registered under this chapter fails to comply with  
2131 this chapter.

2132 (j) The division may employ other professional, clerical, and technical staff as may be  
2133 necessary to properly administer the work of the division under this chapter.

2134 (k) (i) Upon request, the division shall make available, either directly or through a  
2135 third-party, a list of the names and addresses of the persons licensed, registered, or certified by  
2136 the division under this chapter.

2137 (ii) A person who requests a list under this Subsection (2)(k) shall pay the costs  
2138 incurred by the division to make the list available.

2139 (3) (a) If the conditions of Subsection (3)(b) are met, the division is immune from any  
2140 civil action or criminal prosecution for initiating or assisting in a lawful investigation of an act  
2141 of, or participating in a disciplinary proceeding concerning[:(i)] a person required to be  
2142 licensed, certified, or registered pursuant to this chapter[; or (ii) a person approved as an expert  
2143 witness pursuant to this chapter].

2144 (b) This Subsection (3) applies if the division takes the action:

2145 (i) without malicious intent; and

2146 (ii) in the reasonable belief that the action is taken pursuant to the powers and duties  
2147 vested in the division under this chapter.

2148 Section 34. Section **61-2g-301** is amended to read:

2149 **61-2g-301. License or certification required.**

2150 (1) Except as provided in Subsection (2) [~~and in Section 61-2g-303~~], it is unlawful for  
2151 a person to prepare, for valuable consideration, an appraisal, an appraisal report, a certified  
2152 appraisal report, or perform a consultation service relating to real estate or real property in this  
2153 state without first being licensed or certified in accordance with this chapter.

2154 (2) This section does not apply to:

2155 (a) a principal broker, associate broker, or sales agent as defined by Section 61-2f-102  
2156 licensed by this state who, in the ordinary course of the broker's or sales agent's business, gives  
2157 an opinion:

- 2158 (i) regarding the value of real estate;
- 2159 (ii) to a potential seller or third-party recommending a listing price of real estate; or
- 2160 (iii) to a potential buyer or third-party recommending a purchase price of real estate;
- 2161 (b) an employee of a company who states an opinion of value or prepares a report
- 2162 containing value conclusions relating to real estate or real property solely for the company's
- 2163 use;
- 2164 (c) an official or employee of a government agency while acting solely within the scope
- 2165 of the official's or employee's duties, unless otherwise required by Utah law;
- 2166 (d) an auditor or accountant who states an opinion of value or prepares a report
- 2167 containing value conclusions relating to real estate or real property while performing an audit;
- 2168 (e) an individual, except an individual who is required to be licensed or certified under
- 2169 this chapter, who states an opinion about the value of property in which the person has an
- 2170 ownership interest;
- 2171 (f) an individual who states an opinion of value if no consideration is paid or agreed to
- 2172 be paid for the opinion and no other party is reasonably expected to rely on the individual's
- 2173 appraisal expertise;
- 2174 (g) an individual, such as a researcher or a secretary, who does not render significant
- 2175 professional assistance, as defined by the board, in arriving at a real estate appraisal analysis,
- 2176 opinion, or conclusion; or
- 2177 (h) an attorney authorized to practice law in ~~[this]~~ any state who, in the course of the
- 2178 attorney's practice or tax appeal services, uses an appraisal report governed by this chapter or
- 2179 who states an opinion of the value of real estate.
- 2180 (3) An opinion of value or report containing value conclusions exempt under
- 2181 Subsection (2) may not be referred to as an appraisal.
- 2182 (4) Except as provided in Subsection (2) [~~and Section 61-2g-303~~], to prepare or cause
- 2183 to be prepared in this state an appraisal, an appraisal report, or a certified appraisal report an
- 2184 individual shall:
- 2185 (a) apply in writing for licensure or certification as provided in this chapter in the form

2186 as the division may prescribe; and

2187 (b) become licensed or certified under this chapter.

2188 Section 35. Section **61-2g-304** is amended to read:

2189 **61-2g-304. Application for licensure, certification, or registration.**

2190 (1) An application for the following shall be sent to the division on a form approved by  
2191 the division:

2192 (a) original certification, licensure, or registration; and

2193 [~~(b) approval as an expert witness; and~~]

2194 [~~(c)~~] (b) renewal of certification, licensure, or registration.

2195 (2) The payment of the appropriate fee, as established by the division, with the  
2196 concurrence of the board, in accordance with Section 63J-1-504, must accompany an  
2197 application for:

2198 [~~(a) approval as an expert witness;~~]

2199 [~~(b)~~] (a) original certification, licensure, or registration; and

2200 [~~(c)~~] (b) renewal of certification, licensure, or registration.

2201 (3) At the time of filing an application described in Subsection (1), an applicant shall:

2202 (a) sign a pledge to comply with the Uniform Standards of Professional Appraisal

2203 Practice and the ethical rules to be observed by an appraiser that are established under Section  
2204 61-2g-403 for:

2205 (i) a certified or licensed appraiser; or

2206 (ii) a trainee; [~~or~~] and

2207 [~~(iii) an expert witness approved under this chapter; and~~]

2208 (b) certify that the applicant understands the types of misconduct, as set forth in this  
2209 chapter, for which a disciplinary proceeding may be initiated against a person certified,  
2210 licensed, or registered under this chapter.

2211 Section 36. Section **61-2g-306** is amended to read:

2212 **61-2g-306. Renewal of license, certification, or registration.**

2213 (1) To renew a license, certification, or registration, before the license, certification, or

2214 registration expires, the holder of the license, certification, or registration shall submit to the  
2215 division in compliance with procedures set through the concurrence of the division and the  
2216 board:

2217 (a) an application for renewal;

2218 (b) a fee established by the division and the board, in accordance with Section  
2219 63J-1-504; and

2220 (c) evidence in the form prescribed by the division of having completed the continuing  
2221 education requirements for renewal specified in this chapter.

2222 (2) (a) A license, certification, or registration expires if it is not renewed on or before  
2223 its expiration date.

2224 (b) For a period of 30 days after the expiration date, a license, certification, or  
2225 registration may be reinstated upon:

2226 (i) payment of a renewal fee and a late fee determined through the concurrence of the  
2227 division and the board; and

2228 (ii) satisfying the continuing education requirements specified in Section 61-2g-307.

2229 (c) After the 30-day period described in Subsection (2)(b), and until six months after  
2230 the expiration date, a license, certification, or registration may be reinstated by:

2231 (i) paying a renewal fee and a reinstatement fee determined through the concurrence of  
2232 the division and the board; and

2233 (ii) satisfying the continuing education requirements specified in Section 61-2g-307.

2234 (d) After the six-month period described in Subsection (2)(c), and until one year after  
2235 the expiration date, a license, certification, or registration may be reinstated by:

2236 (i) paying a renewal fee and a reinstatement fee determined through the concurrence of  
2237 the division and the board in accordance with Section 63J-1-504;

2238 (ii) providing proof acceptable to the division, with the concurrence of the board, of the  
2239 person having satisfied the continuing education requirements of Section 61-2g-307; and

2240 (iii) providing proof acceptable to the division, with the concurrence of the board, of  
2241 the person completing 24 hours of continuing education:

2242 (A) in addition to the requirements in Section 61-2g-307; and

2243 (B) on a subject determined by the division by rule made in accordance with Title 63G,  
2244 Chapter 3, Utah Administrative Rulemaking Act.

2245 (e) The division shall relicense, recertify, or reregister a person who does not renew  
2246 that person's license, certification, or registration within one year after the expiration date as  
2247 prescribed for an original application.

2248 (f) Notwithstanding Subsection (2)(a), the division may extend the term of a license,  
2249 certification, or registration that would expire under Subsection (2)(a) except for the extension  
2250 if:

2251 (i) (A) the person complies with the requirements of this section to renew the license,  
2252 certification, or registration; and

2253 (B) the application for renewal remains pending at the time of the extension; or

2254 (ii) at the time of the extension, there is pending under this chapter a disciplinary  
2255 action.

2256 (3) A person who is licensed, certified, or registered under this chapter shall notify the  
2257 division of the following by sending the division a signed statement within 10 business days of:

2258 (a) ~~(i)~~ a conviction of ~~[a: (A)]~~, or the entry of a plea in abeyance to:

2259 (i) a felony; or

2260 ~~[(B) class A misdemeanor; or]~~

2261 ~~[(C) class B misdemeanor;]~~

2262 ~~[(ii) the entry of a plea in abeyance to a:]~~

2263 ~~[(A) felony;]~~

2264 ~~[(B) class A misdemeanor; or]~~

2265 ~~[(C) class B misdemeanor; or]~~

2266 (ii) a misdemeanor involving financial services or a financial services-related business,  
2267 fraud, a false statement or omission, theft or wrongful taking of property, bribery, perjury,  
2268 forgery, counterfeiting, or extortion;

2269 ~~[(iii)]~~ (b) the potential resolution of a felony~~[, class A]~~ or of a misdemeanor~~[, or class B]~~

2270 ~~misdemeanor~~ described in Subsection (3)(a)(ii) by:

2271 ~~[(A)]~~ (i) a diversion agreement; or

2272 ~~[(B)]~~ (ii) any other agreement under which a criminal charge is suspended for a period  
2273 of time;

2274 ~~[(b) filing a personal bankruptcy or business bankruptcy;]~~

2275 (c) the suspension, revocation, surrender, cancellation, or denial of a professional  
2276 license, certification, or registration of the person, whether the license, certification, or  
2277 registration is issued by this state or another jurisdiction; or

2278 (d) the entry of a cease and desist order or a temporary or permanent injunction:

2279 (i) against the person by a court or administrative agency; and

2280 (ii) on the basis of:

2281 (A) conduct or a practice involving an act regulated by this chapter; or

2282 (B) conduct involving fraud, misrepresentation, or deceit.

2283 (4) The board, with the concurrence of the division, shall enforce the reporting  
2284 requirement of Subsection (3) pursuant to Section 61-2g-502.

2285 Section 37. Section **61-2g-308** is amended to read:

2286 **61-2g-308. Licensing, certification, or registration requirements for nonresidents**  
2287 **-- Temporary license or certificate -- Revocation.**

2288 (1) An individual applicant for ~~[one of the following]~~ licensure, certification, or  
2289 registration under this chapter who is not a resident of this state shall submit with the  
2290 applicant's application an irrevocable consent that service of process upon the applicant may be  
2291 made by delivery of the process to the director of the division if, in an action against the  
2292 applicant in a court of this state arising out of the applicant's activities governed by this chapter  
2293 in this state, the plaintiff cannot, in the exercise of due diligence, obtain personal service upon  
2294 the applicant ~~[: (a) approval as an expert witness; or (b) licensure, certification, or registration~~  
2295 ~~under this chapter].~~

2296 (2) A nonresident of this state who complies with Subsection (1) may obtain ~~[approval~~  
2297 ~~as an expert witness;]~~ a license, a certification, or a registration in this state by complying with

2298 this chapter relating to [~~approval as an expert witness;~~] licensure, certification, or registration.

2299 (3) (a) A nonresident of this state who complies with Subsection (1) may obtain a  
2300 temporary permit for a license or certification to perform a contract relating to the appraisal of  
2301 real estate or real property in this state.

2302 (b) To qualify for the issuance of a temporary permit for a license or certification, an  
2303 applicant [~~must~~] shall:

2304 [~~(a)~~] (i) submit an application on a form approved by the division;

2305 [~~(b)~~] (ii) submit evidence that the applicant is licensed or certified in the state in which  
2306 the applicant primarily conducts business;

2307 [~~(c)~~] (iii) certify that no formal charges alleging violation of state appraisal licensing or  
2308 certification laws have been filed against the applicant by the applicant's state of domicile; and

2309 [~~(d)~~] (iv) pay an application fee in an amount established by the division with the  
2310 concurrence of the board.

2311 (4) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
2312 division, with the concurrence of the board, shall make rules establishing:

2313 (a) the duration of a temporary permit; and

2314 (b) procedures for renewal of a temporary permit.

2315 (5) A temporary permit issued under this section shall be immediately and  
2316 automatically revoked if the appraiser's license or certification is suspended or revoked in the  
2317 appraiser's state of domicile.

2318 (6) A person whose temporary permit for a license or certification is revoked under  
2319 Subsection (5) is entitled to a postrevocation hearing to challenge the revocation. The hearing  
2320 shall be conducted in accordance with Title 63G, Chapter 4, Administrative Procedures Act.

2321 Section 38. Section **61-2g-312** is amended to read:

2322 **61-2g-312. State-certified appraisers -- Authority.**

2323 (1) A state-certified residential appraiser is authorized to appraise the types of real  
2324 estate which a state-licensed appraiser is authorized to appraise.

2325 (2) A state-certified residential appraiser is also authorized to appraise 1-4 unit

2326 residential real estate without regard to transaction value or complexity.

2327 (3) A state-certified residential appraiser is not authorized to appraise subdivisions for  
2328 which a development analysis/appraisal is necessary.

2329 (4) A state-certified general appraiser is authorized to appraise ~~[the]~~ all types of real  
2330 estate and real property.

2331 Section 39. Section **61-2g-315** is amended to read:

2332 **61-2g-315. Licensing, certification, and registration documents -- Assigned**  
2333 **number to be used on contracts -- Surrender of documents upon suspension.**

2334 (1) The division shall issue to a person [~~approved as an expert witness;~~] licensed,  
2335 certified, or registered under this chapter a document:

2336 (a) stating that the person is [~~approved as an expert witness;~~] licensed, certified, or  
2337 registered under this chapter; and

2338 (b) specifying the expiration date of a license or certification.

2339 (2) (a) [~~An approval as an expert witness, a~~] A license, a certification, or a registration  
2340 document issued under this chapter shall bear [~~an approval;~~] a license, certification, or  
2341 registration number assigned by the division.

2342 (b) An assigned number shall be used in a statement of qualification, a contract, or  
2343 another instrument used by the holder of the [~~approval;~~] license, certificate, or registration  
2344 when reference is made to the holder's status as being [~~approved;~~] licensed, certified, or  
2345 registered under this chapter.

2346 (3) (a) [~~An approval;~~] A license, certification, or registration document is the property  
2347 of the state.

2348 (b) Upon a suspension or revocation of a license, certification, or registration under this  
2349 chapter, the individual holding the applicable document shall immediately return the document  
2350 to the division.

2351 Section 40. Section **61-2g-402** is amended to read:

2352 **61-2g-402. Principal place of business -- Display of documents -- Notify of**  
2353 **changes -- Nonresidents.**

2354 (1) A person licensed or certified under this chapter shall:

2355 (a) designate and maintain a principal place of business; and

2356 (b) conspicuously display the person's license or certification.

2357 (2) ~~[(a)]~~ Upon a change of a person's principal business location or home address, a  
2358 person licensed or certified under this chapter shall promptly send the division a signed  
2359 statement notifying the division of the change within 10 business days of the change.

2360 ~~[(b) Upon a change of an expert witness's address listed on the expert witness's~~  
2361 ~~application for approval, the expert witness shall send the division a signed statement notifying~~  
2362 ~~the division of the change within 10 business days of the change.]~~

2363 (3) A nonresident licensee or certificate holder~~[, or a nonresident approved as an expert~~  
2364 ~~witness]~~ is not required to maintain a place of business in this state if the nonresident maintains  
2365 an active place of business in the nonresident's state of domicile.

2366 Section 41. Section **61-2g-403** is amended to read:

2367 **61-2g-403. Professional conduct -- Uniform standards.**

2368 (1) (a) A person licensed, certified, or registered~~[, or approved as an expert witness]~~  
2369 under this chapter shall comply with:

2370 (i) generally accepted standards of professional appraisal practice; and

2371 (ii) generally accepted ethical rules to be observed by a real estate appraiser.

2372 (b) Subject to the other provisions of this Subsection (1), generally accepted standards  
2373 of professional appraisal practice are evidenced by the Uniform Standards of Professional  
2374 Appraisal Practice promulgated by the Appraisal Foundation.

2375 (c) After a public hearing held in accordance with Title 63G, Chapter 3, Utah  
2376 Administrative Rulemaking Act, the board, with the concurrence of the division:

2377 (i) shall adopt and may make modifications of or additions to the Uniform Standards of  
2378 Professional Appraisal Practice as the board considers appropriate to comply with the Financial  
2379 Institutions Reform, Recovery, and Enforcement Act of 1989; or

2380 (ii) may by rule made in accordance with Title 63G, Chapter 3, Utah Administrative  
2381 Rulemaking Act, exempt a person licensed, certified, or registered~~[, or approved as an expert~~

2382 witness] from complying with a provision of the Uniform Standards of Professional Appraisal  
2383 Practice for an activity that the person engages in on behalf of a governmental entity.

2384 (d) When an individual is a state-licensed appraiser or state-certified appraiser and also  
2385 holds a license issued under Chapter 2f, Real Estate Licensing and Practices Act, the individual  
2386 may provide an opinion of price of real estate without complying with the Uniform Standards  
2387 of Professional Appraisal Practice if the individual provides the opinion of price as a licensee  
2388 under Chapter 2f, Real Estate Licensing and Practices Act.

2389 (e) A state-licensed or state-certified appraiser who also holds a license issued under  
2390 Chapter 2c, Utah Residential Mortgage Practices and Licensing Act, or Chapter 2f, Real Estate  
2391 Licensing and Practices Act, may not act under more than one license in a single transaction.

2392 (2) When instructed by the board, the division shall schedule a public hearing pursuant  
2393 to Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for the purpose of deciding  
2394 whether or not the board should require a modified or supplemental standard or the ethical rule  
2395 to be observed by a person licensed, certified, or registered[~~; or approved as an expert witness~~]  
2396 under this chapter if the Appraisal Standards Board of the Appraisal Foundation:

- 2397 (a) (i) modifies the Uniform Standards of Professional Appraisal Practice;
- 2398 (ii) issues a supplemental appraisal standard which it considers appropriate for:
  - 2399 (A) a residential real estate appraiser; or
  - 2400 (B) a general real estate appraiser; or
- 2401 (iii) issues an ethical rule to be observed by a real estate appraiser; and
- 2402 (b) requests the board to consider the adoption of the modified or supplemental  
2403 standard or ethical rule.

2404 (3) If, after the notice and public hearing described in Subsection (2), the board finds  
2405 that a modified or supplemental standard or the ethical rule issued by the Appraisal Standards  
2406 Board of the Appraisal Foundation is appropriate for a person licensed, certified, or registered[~~;~~  
2407 ~~or approved as an expert witness~~] under this chapter, the board shall recommend a rule  
2408 requiring a person licensed, certified, or registered[~~;~~ ~~or approved as an expert witness~~] under  
2409 this chapter to observe the modified or supplemental standard or the ethical rule.

2410 Section 42. Section **61-2g-502** is amended to read:

2411 **61-2g-502. Disciplinary action -- Grounds.**

2412 (1) (a) The board may order disciplinary action, with the concurrence of the division,  
2413 against a person:

2414 (i) registered, licensed, or certified under this chapter; or

2415 (ii) required to be registered, licensed, or certified under this chapter.

2416 (b) On the basis of a ground listed in Subsection (2) for disciplinary action, board  
2417 action may include:

2418 (i) revoking, suspending, or placing a person's registration, license, or certification on  
2419 probation;

2420 (ii) denying a person's original registration, license, or certification;

2421 (iii) denying a person's renewal license, certification, or registration;

2422 (iv) in the case of denial or revocation of a registration, license, or certification, setting  
2423 a waiting period for an applicant to apply for a registration, license, or certification under this  
2424 chapter;

2425 (v) ordering remedial education;

2426 (vi) imposing a civil penalty upon a person not to exceed the greater of:

2427 (A) \$5,000 for each violation; or

2428 (B) the amount of any gain or economic benefit from a violation;

2429 (vii) issuing a cease and desist order;

2430 (viii) modifying an action described in Subsections (1)(b)(i) through (vii) if the board,  
2431 with the concurrence of the division, finds that the person complies with court ordered  
2432 restitution; or

2433 (ix) doing any combination of Subsections (1)(b)(i) through (viii).

2434 (c) (i) If the board or division issues an order that orders a fine or educational  
2435 requirements as part of the disciplinary action against a person, including a stipulation and  
2436 order, the board or division shall state in the order the deadline by which the person shall  
2437 comply with the fine or educational requirements.

- 2438 (ii) If a person fails to comply with a stated deadline:
- 2439 (A) the person's license, certificate, or registration is automatically suspended:
- 2440 (I) beginning on the day specified in the order as the deadline for compliance; and
- 2441 (II) ending the day on which the person complies in full with the order; and
- 2442 (B) if the person fails to pay a fine required by an order, the division may begin a
- 2443 collection process:
- 2444 (I) established by the division by rule made in accordance with Title 63G, Chapter 3,
- 2445 Utah Administrative Rulemaking Act; and
- 2446 (II) subject to Title 63A, Chapter [8] 3, Part 5, Office of State Debt Collection.
- 2447 (2) The following are grounds for disciplinary action under this section:
- 2448 (a) procuring or attempting to procure a registration, license, or certification under this
- 2449 chapter:
- 2450 (i) by fraud; or
- 2451 (ii) by making a false statement, submitting false information, or making a material
- 2452 misrepresentation in an application filed with the division;
- 2453 (b) paying money or attempting to pay money other than a fee provided for by this
- 2454 chapter to a member or employee of the division to procure a registration, license, or
- 2455 certification under this chapter;
- 2456 (c) an act or omission in the practice of real estate appraising that constitutes
- 2457 dishonesty, fraud, or misrepresentation;
- 2458 (d) entry of a judgment against a registrant, licensee, or certificate holder on grounds of
- 2459 fraud, misrepresentation, or deceit in the making of an appraisal of real estate;
- 2460 (e) a guilty plea to a criminal offense involving moral turpitude that is held in
- 2461 abeyance, or a conviction, including a conviction based upon a plea of guilty or nolo
- 2462 contendere, of a criminal offense involving moral turpitude;
- 2463 (f) engaging in the business of real estate appraising under an assumed or fictitious
- 2464 name not properly registered in this state;
- 2465 (g) paying a finder's fee or a referral fee to a person not licensed or certified under this

2466 chapter in connection with an appraisal of real estate or real property in this state;

2467 (h) making a false or misleading statement in:

2468 (i) that portion of a written appraisal report that deals with professional qualifications;

2469 or

2470 (ii) testimony concerning professional qualifications;

2471 (i) violating or disregarding:

2472 (i) this chapter;

2473 (ii) an order of:

2474 (A) the board; or

2475 (B) the division, in a case when the board delegates to the division the authority to

2476 make a decision on behalf of the board; or

2477 (iii) a rule issued under this chapter;

2478 (j) violating the confidential nature of governmental records to which a person

2479 registered, licensed, or certified~~[, or approved as an expert]~~ under this chapter gained access

2480 through employment or engagement as an appraiser by a governmental agency;

2481 (k) accepting a contingent fee for performing an appraisal if in fact the fee is or was

2482 contingent upon:

2483 (i) the appraiser reporting a predetermined analysis, opinion, or conclusion;

2484 (ii) the analysis, opinion, conclusion, or valuation reached; or

2485 (iii) the consequences resulting from the appraisal assignment;

2486 (l) unprofessional conduct as defined by statute or rule;

2487 (m) in the case of a dual licensed title licensee as defined in Section 31A-2-402:

2488 (i) providing a title insurance product or service without the approval required by

2489 Section 31A-2-405; or

2490 (ii) knowingly providing false or misleading information in the statement required by

2491 Subsection 31A-2-405(2); or

2492 (n) other conduct that constitutes dishonest dealing.

2493 Section 43. Section **61-2g-503** is amended to read:

2494 **61-2g-503. Reinstatement of license, certification, and registration.**

2495 (1) An individual whose license, certification, or registration~~[, or approval]~~ is revoked  
2496 under this chapter:

2497 (a) may not apply for renewal or reinstatement of that license, certification, or  
2498 registration~~[, or approval]~~; and

2499 (b) may apply for licensure, certification, or registration~~[, or approval]~~ as prescribed for  
2500 an original license, certification, or registration~~[, or approval]~~ subject to the limitations in  
2501 Subsection (2).

2502 (2) An applicant for licensure, certification, or registration~~[, or approval as an expert~~  
2503 ~~witness]~~ under Subsection (1) is not entitled to credit for experience gained before the date of  
2504 revocation in determining whether the applicant meets the experience requirement for  
2505 licensure, certification, or registration~~[, or approval]~~.

2506 **Section 44. Repealer.**

2507 This bill repeals:

2508 Section **61-2g-303, Approval of an expert.**

2509 Section 45. **Effective dates.**

2510 (1) Except as provided in Subsection (2), this bill takes effect May 8, 2012.

2511 (2) Section 61-2f-401 (Effective 07/01/12) and Section 61-2g-103 (Effective 07/01/12)  
2512 take effect July 1, 2012.